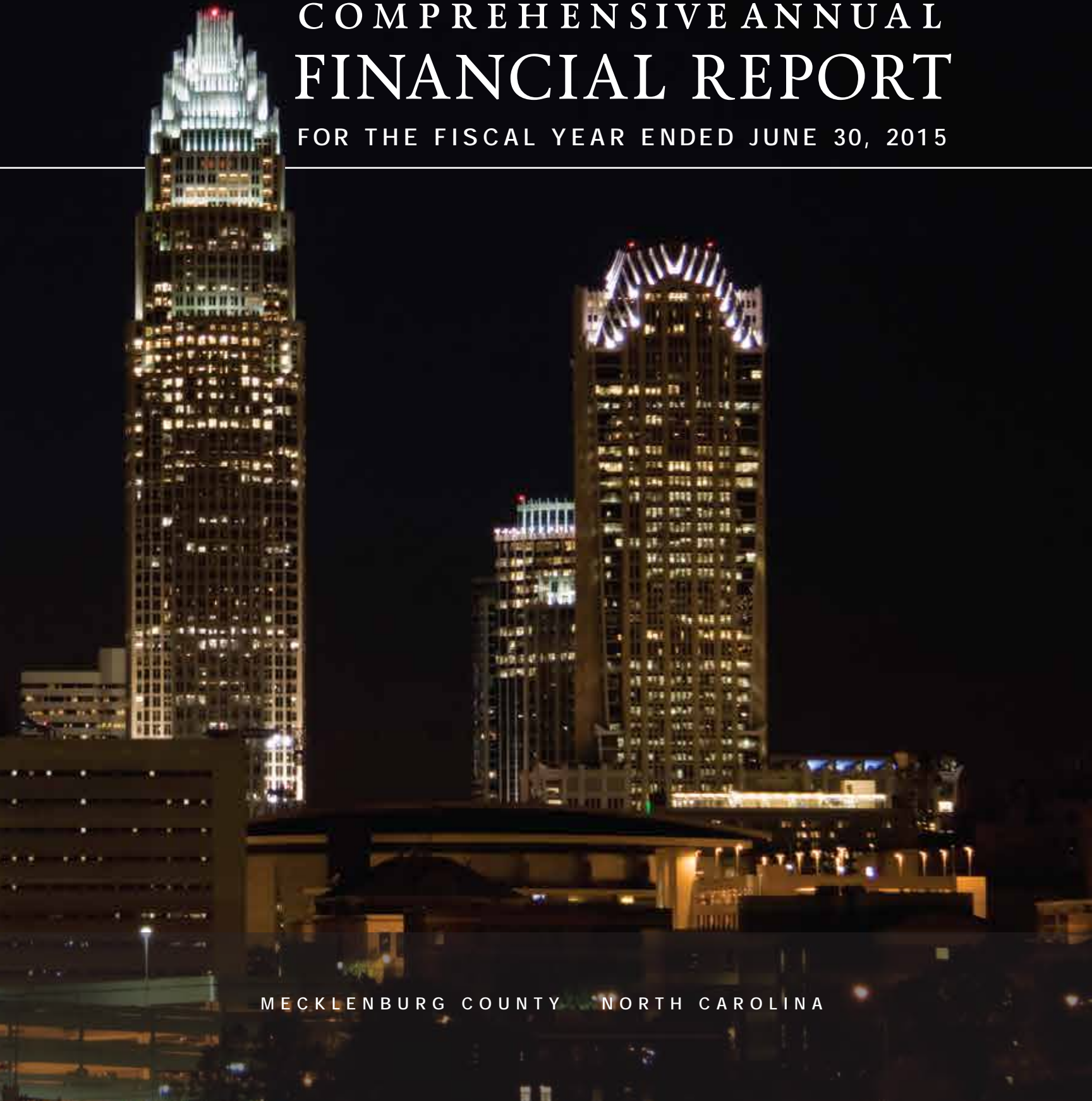




# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015



MECKLENBURG COUNTY NORTH CAROLINA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015



MECKLENBURG COUNTY • NORTH CAROLINA

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## Introduction

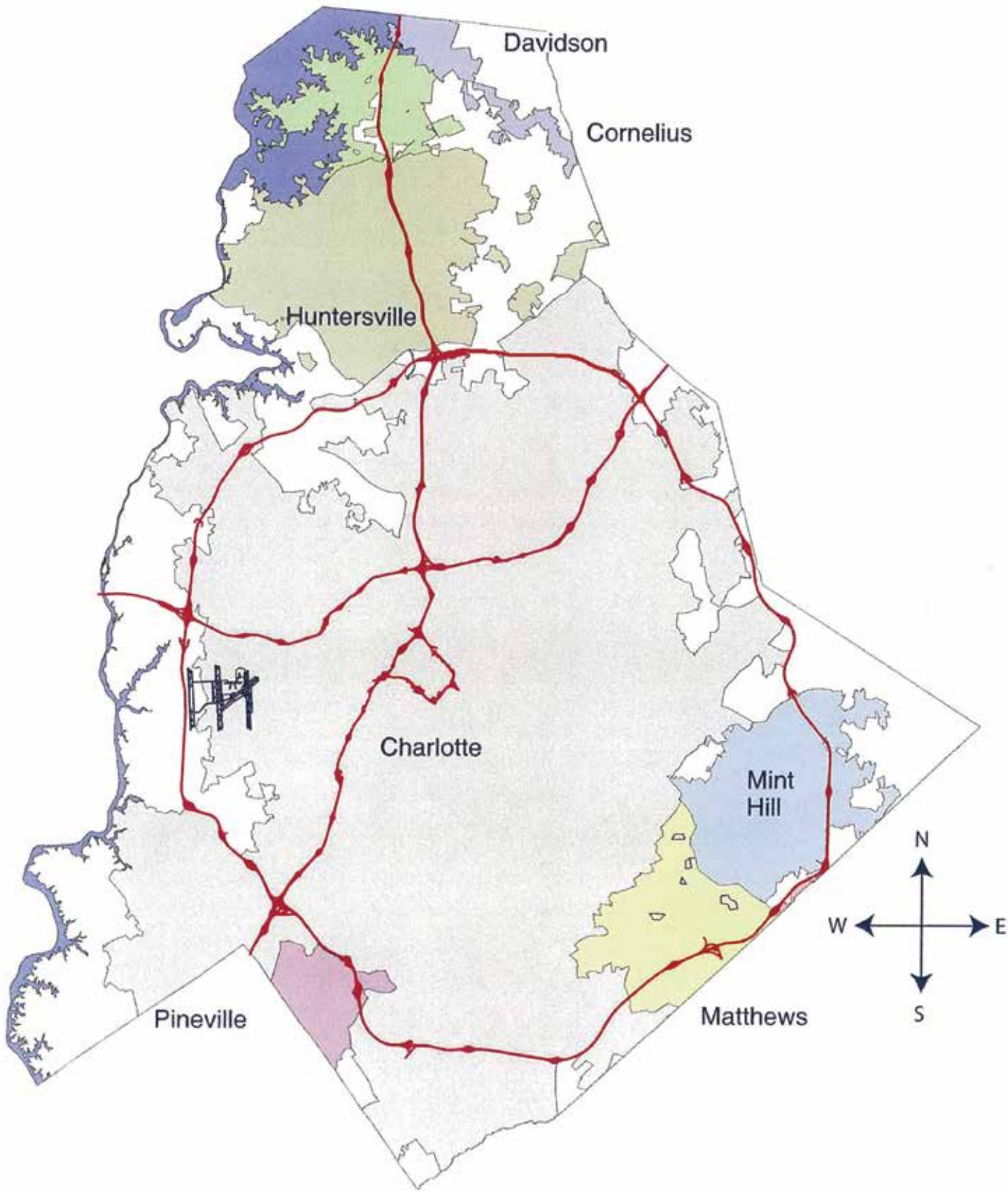
The introduction provides background and general information about the County.



MECKLENBURG COUNTY • NORTH CAROLINA



MECKLENBURG COUNTY, NC





## Mecklenburg County

Wanda Reeves  
Director of Financial Services  
November 23, 2015

The Board of County Commissioners  
and County Manager  
Mecklenburg County  
Charlotte, North Carolina

The Comprehensive Annual Financial Report (Report) of Mecklenburg County for the fiscal year ended June 30, 2015 is submitted herewith. The report meets the State requirement to issue audited financial statements.

County management assumes full responsibility for the completeness and reliability of the information contained in this Report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The financial statements have been prepared in compliance with applicable General Statutes of North Carolina and accounting principles generally accepted in the United States of America for governmental entities. Cherry Bekaert LLP, an independent public accounting firm, has issued an unmodified ("clean") opinion on the financial statements. Their opinion is located at the beginning of the Financial Section of the Report. The audit was also designed to meet the requirements of the Federal Single Audit Act Amendment of 1996, as well as the State Single Audit Act, N.C.G.S.159-34. The reports required by these Acts are issued separately.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this Letter of Transmittal and the two should be read together.

## PROFILE OF THE GOVERNMENT

Mecklenburg County was created from a portion of Anson County through a petition that was granted on December 11, 1762 by the Provincial Assembly, effective February 1, 1763. During the colonial period, a governor appointed by the King of England administered the County. Settlers chose the name Mecklenburg for their county in the hopes of gaining favor with King George III. His wife, Queen Charlotte, was born in the German province of Mecklenburg. When Mecklenburg was established, it was considerably larger than it is today. Portions of what are now Cabarrus, Union, Lincoln, Rutherford, Cleveland and Gaston Counties in North Carolina and part of South Carolina were all once in Mecklenburg County. The City of Charlotte was incorporated on November 7, 1768 and was chosen the county seat in 1774.

The current boundaries of the County were established in 1842. County officials continued to be appointed by the governor until 1868. The Constitution of North Carolina was rewritten in that year to allow citizens, for the first time, to elect officials to govern them at the county level. This form of government is still in practice today with the governing body known as the Board of County Commissioners (the Board). In 1963, the Board adopted the County Manager form of government and appointed a County Manager to perform the administrative duties of the County.

The Board has six district and three at-large members. Elections for Board members are held in November of even-numbered years, and candidates run for office as members of a political party. Any registered voter is eligible to run for Commissioner. Following the election, Commissioners take office at the first meeting in December. It is also at the first meeting in December each year that the Board elects a chairman and vice-chairman from among its members.

The Board appoints several officials to help carry out the County's business: a County Manager, who serves as chief executive officer; a County Attorney, who serves as legal advisor to the Board; a Director of Financial Services, who provides required financial information and guidance for planning and conducting fiscal management in operating the County; and a Clerk to the Board, who is responsible for keeping official Board records and preparing official minutes of all Board meetings.

The County provides the following services: land use, including listing and appraising all real and personal property and regulating the development of land and construction of residential, commercial and industrial facilities; recreation and cultural activities; human services, including social services, public health, mental health and environmental health; detention and court support; and general



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administration. The County also provides support for education, public libraries, and emergency medical service.

The County represents a primary government as defined by Governmental Accounting Standards Board Statements 14 and 39, as amended by Statement 61. In addition to the primary government, the basic financial statements include the discrete presentation of three legally separate entities, the Public Library of Charlotte and Mecklenburg County, the Mecklenburg County Alcoholic Beverage Control Board and the Mecklenburg Emergency Medical Services Agency. These entities are component units of the County as defined by the Governmental Accounting Standards Board.

State Statutes require the adoption of an annual balanced budget for all funds, except the agency fiduciary funds and those authorized by project ordinance. The final budget, which the Board of County Commissioners must approve by July 1 each year, serves as the foundation for the County's financial planning and control. The budget is prepared in accordance with the County's Strategic Business Plan that identifies the priority of County programs based on relevance, performance and efficiency and is organized by fund, function and department. During the fiscal year, the County Manager or her designee is authorized to transfer budgeted amounts within any fund; however, any revisions that alter the total budget of any fund must be approved by the Board of County Commissioners.

## LOCAL ECONOMY

The County continues to be the second largest financial center in the United States, the center of the nation's sixth largest urban region, with Charlotte, a mid-sized city, as the largest city. The financial sector includes the headquarters for Bank of America, a branch of the Federal Reserve, as well as mortgage banks, commercial finance and factoring institutions, leasing companies, credit unions and other banks.

The County's economic outlook remains positive as growth in the region continues to expand. Many of the County's economic indicators are trending upward. For instance, the County experienced a 3.8% increase in jobs in 2015 compared to 2014.

Mecklenburg County's unemployment rate in June 2015 was 5.7%, a small decline from 6.8% in June 2014. The County's unemployment rate continues to trend slightly below the North Carolina rate of 5.8% and more than the national rate of 5.3%. Employment numbers increased by 17,873 to 526,753 from the prior year June amount of 508,880.

Home sales remained steady in 2015 compared to 2014; and the average closing price of homes experienced a slight increase in 2015. The number of building permits increased an average of 13.5% in fiscal year 2015 from fiscal year 2014. The building permit increase is due to population growth and companies' investment in renovations and new facilities.

General governmental revenues have increased 14.8% over the last ten years. Taxes and assessment revenues have increased 22.0% for the same period, and the contribution to total revenue has increased from 75.4% in fiscal year 2006 to 80.1% in fiscal year 2015 reflecting the growth in population, demand for services and decreases in other revenue. Additionally, governmental expenditures covered by tax revenues increased from 66.3% in fiscal year 2006 to 74.6% in fiscal year 2015. The contribution of fee based revenues, licenses and permits as well as charges for services, to total revenues has declined over the ten years from 9.6% in fiscal year 2006 to 6.6% in fiscal year 2015 as non-fee based programs of the County have increased. Intergovernmental revenues contributed 12.41% to total revenues in fiscal year 2006, however has dropped to 11.7% in fiscal year 2015 as state revenues have declined and the pool of available grant funds has not increased as fast as the County's budget.

General governmental expenditures have increased only 8.5% in the last ten years as the County's budget was reduced in recent years to address the economic downturn. Capital outlay decreased by 30.9% over the ten year period due to planned reductions in capital projects. Costs of services continue to increase along with the growth in populations served. This is particularly true for Detention and Court Support Services where costs have increased 53.4%. Business Partners costs have increased 21.9% over the ten year period reflecting the increased contributions for public education. Land Use and Environmental Services costs have increased 4.3% mainly due to improvements in the construction industry.

A more in-depth analysis of revenue and expenditure trends over the last five years appears on page xx.

## LONG-TERM FINANCIAL PLANNING

Providing the additional services that accompany continued growth, as well as financing the new schools, community college facilities, parks, libraries and other facilities needed to meet this growth, is a recurring challenge faced by the County. Capital needs are assessed on an annual basis and the County continues the process of re-examining its capital program to reflect economic realities. The Board of County Commissioners did not consider a bond referendum during fiscal year 2015.

During the fiscal year, the County's budget office focused on the following areas: 1) Economic Development, with the goal to increase resources to all of the departments in the economic development arena to support current and future growth. The Economic Development Office received additional funding to support ongoing business investment grants and economic development agreements. 2) High Performing Organization as the County strives to be a best-in-class organization that values its most valuable resource – its employees. The adopted budget included funding for pay-for-performance merit increases for employees. 3) Human Services Strategic Planning, which included several funding enhancements designed to ensure that County can provide not only immediate assistance, but also services that can move adults and families from dependency to self-sufficiency. The FY2015 budget also included funding for 33 school nurses and three school nurse supervisors, to ensure that every CMS public school in Mecklenburg County will have a dedicated school nurse. 4) Quality of Life and Cost of Living, which provided funding for 18 park maintenance positions, increased funding for mowing contracts, and operational funding for new facilities. The adopted budget also included funding to move the entire library system to a six-day service, increase the collection, and funding for the implementation of the library's digital strategy. Furthermore, the adopted budget included an increase to Charlotte-Mecklenburg Schools operating budget of \$26.8 million, an increase of 7.6 percent over the FY2014 appropriation. Funding for Central Piedmont Community College included an increase of 7.1 percent. The priority for funding programs and new initiatives in the budget is based on these focus areas and the impact of programs on achieving the County's long term goals.

## MAJOR COUNTY INITIATIVES

Strategic planning and performance measurement continues to be a major initiative of the County as it strives to meet the goals of Mecklenburg Vision 2020 "In 2020, Mecklenburg County will be a place of pride and choice for people to live, work and recreate." The County has adopted the balanced scorecard methodology to structure and articulate the Board's desired results, the corporate strategies used to achieve these results, and the performance measures that gauge the level of achievements.

The following accomplishments during fiscal year 2015 highlight some of the activities County departments have pursued toward Mecklenburg Vision 2020:

### ***Financial and Administrative:***

- The Procurement Division of Financial Services opened on February 25, 2015 and began supporting all County

departments for procurement of goods, services and technology. Working with departments during the year, several notable contracts have been negotiated resulting in savings ranging from 8% to 25% for PC's and as high as 61% on accessories. Based on County IT purchases for FY15, the County saved approximately \$300,000.

- Financial Services and Human Resources successfully transitioned all County employees to the usage of myTime. This time capture system is used to record actual hours worked for non-exempt employees, attendance for exempt employees and helps ensure employees are compensated accurately for time worked. The project was successfully launched on October 1<sup>st</sup>.
- The Office of the Tax Collector implemented Auto Agent service. This service enabled mortgage companies, tax service companies, banks, and other loan servicing institutions to obtain tax bills and remit payment in an electronic bulk capacity. This implementation resulted in a reduction in the number of refunds on payments made from mortgage escrow accounts and a more efficient process for providing bills to companies servicing escrow accounts and receiving payments from them.
- As a result of the implementation of the Tag and Tax Together program and the repeal of the Privilege License Tax, the OTC completed a budget reduction process including a Reduction in Force (RIF) and restructure plan.
- The Internal Audit department working with Human Resources, MeckEdu, the County's online training tool and the County Attorney developed a robust ethics program, including an updated Code of Ethics and a new annual employee *Ethics in the Workplace* training.
- The Internal Audit department in conjunction with Public Information and an external consultant worked to rebrand and market the Fraud Hotline (aka the Report Line) to increase awareness and knowledge of proper use.

### ***Land Use and Environmental Services (LUESA):***

- One of the most significant FY15 accomplishments of the Code Enforcement Division of LUESA was the completion of the industry (AE-GC-Builder) Task Force work, including alignment of recommendations with those of the initial Gartner audit. This Task Force met 10 times between September and February, averaging over 12 industry members attending each meeting. The Task Force concluded its work with a comprehensive set of recommendations to the Building Development Commission.
- The Air Quality Division of LUESA attained the National Ambient Air Quality Standard for Ozone. This is the first time the County has been in attainment of all

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federal air quality standards since 1995.

- The Solid Waste Division of LUESA initiated construction on the replacement Compost Central Complex at Rozzelles Ferry and Valley Dale Roads. Construction continues through FY2017.
- The Foxhole Landfill received the Platinum Award from Charlotte Water in June 2015 for excellence in water quality discharge.

## ***Health and Human Services:***

- In May, the Health Department was reaccredited by the North Carolina Accreditation Board. In addition to meeting the standards for public health performance, the department demonstrated strengths in fostering a culture of quality, professionalism, and service. Successful reaccreditation was particularly impressive given the recent assimilation of most health department functions back into county government from CHS,
- The Health Department with Board of County Commissioner's approval implemented Tobacco-Free Parks ordinance and Smoke Free Government Grounds Board of Health Rule on March 18, 2015.
- In FY15, the School Health Program received funding to add 33 new school nurses and 3 new nurse supervisor positions. All betterment positions were filled by April 2015.
- The Department of Social Services initiated a community partnership with IKEA to completely remodel the dilapidated family visitation center at Bob Walton Plaza. This site houses eight visitation rooms and a common space that are very frequently used to reunify children and families in the foster care system. The space was officially opened to clients during a grand opening celebration attended by County general managers, board members and community partners.
- Community Support Services' implemented a new initiative, Coordinated Intake and Assessment, a best practice intervention. It provides a systematic response to targeting scarce resources for individuals and families impacted by homelessness. Additional benefits include connecting households at-risk of homelessness to services faster and reducing new entries to homelessness through diversion. Having a structured process improves data collection and provides accurate information on the types of assistance households need.
- Community Support Services' created The Supervised Visitation and Safe Exchange Center. It officially opened in November 2014 and began receiving referrals from local professionals in December 2014. This center addressed a community gap by creating a safe place for families impacted by domestic violence to exchange or

visit their children which decreases the likelihood of continued exposure to trauma. In its first six months of operation the Center served over 94 individuals with 117 supervised visits and 25 safe exchanges. CSS was notified in June 2015 of receipt of a Governor's Crime Commission Grant that will facilitate an increase in number of families served in FY16 and FY17.

## ***Detention and Court Support Services:***

- Phase I of the Visitation Scheduling project for Mecklenburg County's jail was implemented on April 2, 2015. The project is being implemented in three phases. Phase II will allow for a central video visitation location to be located on the second floor of the Work Release and Restitution Center (WRRRC). This project will reduce inmate movement and streamline the visitation because everyone will schedule their visit thereby avoiding long wait lines.
- The Criminal Justice Services Department, in partnership with the Public Defender and the Charlotte School of Law, launched the Mecklenburg County Driver License Restoration Clinic. This clinic provides personalized analysis of revocation issues and corrective plans for the restoration of driving privileges to indigent residents of Mecklenburg County. Driving without a license is one of the top three reasons for arrest in Mecklenburg County.
- Drug Treatment Court celebrated its 20<sup>th</sup> anniversary, and Governor Pat McCrory declared May 2015 as "Drug Court Month" in North Carolina (one of only five states to have done so in 2015)
- Child Support Enforcement (CSE) held the first annual Employers Roundtable event in June 2015 at the Charlotte Mecklenburg Government Center. The Employers Roundtable was an event designed to engage and educate employers about processes required to complete child support wage withholding/electronic income withholdings.
- "Mom as Gateway, Not Gatekeeper" curriculum training was provided to all CSE staff in June 2015. The training identifies ways for child support staff to understand, work with and educate female custodial parents on the importance of having positive working relationships with their respective non-custodial parents for the sake of their children.

## ***Community Services:***

- The Park and Recreation Department successfully merged the Charlotte Mecklenburg Senior Center Inc. (CMSC) operations with the Community and Recreation Center Services division. Two of three CMSC Senior Centers are certified Senior Centers of

Excellence.

- Gateway to Gold – The Paralympic Sports Club – Metrolina, a program of the Therapeutic Recreation Section of Park and Recreation, hosted the first ever multi-day, multi-sport Gateway to Gold event. This event is designed to identify emerging athletes in a variety of Paralympic Sports and was promoted in partnership with the US Olympic committee / Paralympic.
- The Mecklenburg County Family and Consumer Sciences program partnered with USDA and Market Link to provide a SNAP EBT (Supplemental Nutrition Assistance Program – Electronic Benefits Transfer) sign up event where 15 area farmers received instructions on how to participate in the program, were given equipment to process SNAP EBT and other debit cards, and provided resources to grow their customer base. As a result of the program, regional farmers will increase access to fresh produce for limited resource populations.
- Since the launch of the Every Child Can Swim campaign, over 8,000 youth have received free swim lessons at Ray's Splash Planet, Double Oaks Pool, Cordelia Pool and the CMS-West Charlotte Pool.
- Volunteer Services Program recorded over 82,000 volunteer hours in all areas of the department which equates to \$1.9 million using the estimated value of volunteer time published by the Independent Sector organization.

## **Library:**

- With funding from Mecklenburg County, the Library implemented six-day service at all locations and seven-day service at the regional libraries, Main and ImagineOn beginning in September 2014. The response has been overwhelmingly positive.
- On April 27, Charlotte Mecklenburg library accepted the White House ConnectEd challenge, with support from Charlotte-Mecklenburg Schools, Mecklenburg County and the City of Charlotte. In accepting the challenge the Library will provide students with easily accessible information, support learning and success through programming, provide digital resources, broadband and wireless connectivity within library facilities and increase accessibility by granting library cards to area students.
- The Library hired its first-ever Digital Strategy Manager and began implementation of several digital projects which will greatly impact the community.
- Charlotte Mecklenburg Library was selected for Google Fiber's first-ever Digital Inclusion Fellowship. The Library has demonstrated that it has the expertise, skill and commitment to take on the challenge of narrowing the digital divide in the Charlotte-Mecklenburg community. The fellow has been hired and will embed

within the Library for one year, building a new digital literacy and awareness program from the ground up.

- The library met the needs of their digital customers this year by allocating more money to their digital collections than ever before. During FY2015 digital circulation increased by 61%, which meant that Materials Management had to allocate more funds to meet this increasing demand. Circulation of books and materials increased by 2.6%, and purchased digital content grew by over 52.2%.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report of Mecklenburg County for the year ended June 30, 2014. This was the 39th consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. The award is valid for a period of one year only. We believe the Report for fiscal year 2015 continues to substantially conform to those standards and this Report is being submitted to GFOA for the certification program.

In addition, the County also received GFOA's Distinguished Budget Presentation Award for its Fiscal Year 2015 budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The National Association of Counties (NACo) held its annual conference in Charlotte, North Carolina this past July, 2015. During the conference County employees and staff from the Charlotte-Mecklenburg Library received achievement awards for their contributions to several outstanding programs and initiative which are listed below:

- **Mecklenburgcountync.gov** - Mecklenburg County launched its new website December 2014. County leadership wanted its digital presence to be fresh and more reflective of the progressive, growing region they represent.
- **Development of a Program to Improve Compression Depth and Time to Defibrillation in Out-of-Hospital Cardiac Arrest** – The program spearheaded by the Mecklenburg EMS Agency (Medic) was developed as a targeted intervention to improve patient survival rates to hospital discharge after experiencing out-of-hospital cardiac arrest.



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- **Care Transitions** – A Community Based Partnership - The goal of the Care Transitions initiative is to reduce 30-day inpatient readmissions and repeated Emergency Room visits for those with co-morbidity diagnoses such as congestive heart failure, diabetes, and chronic obstructive pulmonary disease.
- **MeckFUSE Program** – The Frequent Users Systems Engagement (FUSE) model, a national best practice developed by the Corporation for Supportive Housing uses permanent supportive housing and wrap-around supportive services as the intervention for stabilizing frequent users of high cost public services.
- **Library Card Drive for Charlotte-Mecklenburg Schools students in Pre-K through Third Grade** – The library delivered simple library card applications to classrooms during the first week of school. Students took applications home to be completed, and returned them to their teachers in early September. The new cards were sent back to classrooms with information about available library resources.
- **Adaptive Lacrosse Clinic** – Created to give young men and women with disabilities the opportunity to learn the game of lacrosse. The clinic was planned in response to requests by current participants who wanted to learn a new sport, and wanted to learn a sport they could participate in with their families and siblings.
- **Paralympics Gateway to Gold (G2G)** – A three day event for youth and adults with physical disabilities and visual impairments. The G2G is a talent identification program that introduces athletes to a variety of sports and potentially leads the athlete to the pipeline and participate in the U.S. Paralympics.

- **Young Adults on the Go!** – This program is a community outing program for young adults with developmental disabilities. The program focuses on peer social interaction and community activities throughout the Charlotte-Mecklenburg area.
- **Mecklenburg Livable Communities Plan** – A collaboration effort between local government, businesses, and non-profits to collaboratively engage in measureable solutions toward the unified vision for our growing community.

I appreciate the cooperation of each County department as we work together to provide quality services to the residents and in conducting financial activities of the County, including preparation of this Report. I especially commend the members of the Financial Services Department, particularly, for their competence and diligence in the continuation of the progressive financial activities of the County and timely preparation of this Report.

I thank the Board of County Commissioners and County Manager Dena Diorio for their leadership in making Mecklenburg County a fiscally sound, well-governed community.

Respectfully submitted,

*Wanda Reeves*

Wanda Reeves  
*Director of Financial Services*





## COUNTY ADMINISTRATION AND OPERATIONS

The nine-member Board of County Commissioners (the Board) holds regular business sessions on the first and third Tuesdays of each month and conducts a Public Policy Workshop on the second Tuesday of each month. All meetings of the Board are open to the public. Major duties of the Board include:

- Assessing and assigning priorities to the needs of the County, and establishing programs and services to meet those needs.
- Adopting an annual balanced budget to fund County programs and services.
- Establishing the annual County property tax rate.
- Appointing officials, including members of County boards and commissions, and certain County employees.
- Regulating land use and zoning outside the jurisdiction of municipalities.
- Enacting policies concerning the operation of the County.
- Enacting local ordinances.
- Authorizing certificates of participation to fund capital projects.
- Calling bond referendums, entering into contracts and establishing new programs and departments.

Day to day operations of the County is the responsibility of the County Manager. In this capacity she is assisted by the Executive Team that includes three Assistant County Managers and a Deputy County Manager. Reporting directly to the Executive Team are the Department Directors. Major duties of the County Manager include:

- Supervising and coordinating activities of County Departments.
- Implementing all orders and policies of the Board.
- Attending all Board meetings and making recommendations on appropriate matters of business.
- Recommending an annual budget and advising the Board of the financial condition of the County.
- Appointing various employees.
- Representing the County in business with other agencies and performing other duties assigned by the Board.

The County had 5,364 full-time equivalent employees at June 30, 2015 to provide the services mandated by State statutes and to meet the needs identified by the Board. Table 19 in the Statistical Section presents the distribution of employees between the core service areas for the current year and the prior nine years for comparison.

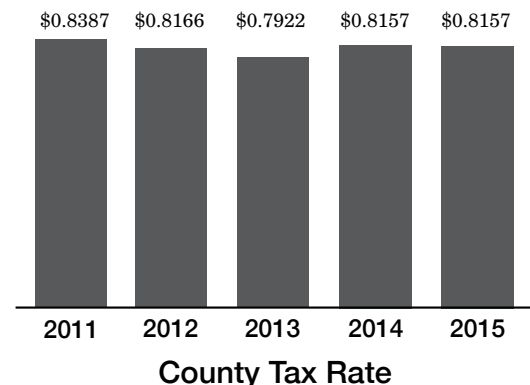
## FISCAL CONTROL

Once the annual budget is adopted each June by the Board, including setting the property tax rate at a level necessary to produce sufficient revenue to accommodate the budget, the Director of Financial Services is responsible for monitoring expenditures of the various County departments to prevent expenditures from exceeding budget appropriations. Purchase orders and contracts are not considered valid until the Director of Financial Services has certified that funds are available to make payment upon satisfactory completion of the contract or delivery of the items ordered.

## TAX RATE

The tax rate is set each year by the Board when the budget ordinance is adopted. Exhibit 1 presents the County's tax rates since fiscal year 2010. The N.C. General Statutes require a real property revaluation at least once every eight years. The County completed a reappraisal of all real property effective January 1, 2011. This is the first revaluation since 2003, in compliance with North Carolina statute. Due to the economic changes impacting residents in the County, the Board of County Commissioners chose not to adjust the tax rate for fiscal years 2010 – 2011. In fiscal year 2012 the tax rate decreased by \$0.0221 and in fiscal year 2013 the tax rate decreased by \$0.0244. In fiscal year 2014 the tax rate increased by \$0.0235 to \$0.8157 to maintain County Services and in fiscal year 2015 the tax rate remained at \$0.8157.

**EXHIBIT 1:**



# FACTS AND INFORMATION

## PROPERTY TAXES

Real property and automobiles, boats, trailers and income-producing personal property are subject to property tax unless specifically exempted by North Carolina statutes. Major property tax exemptions granted by the statutes include governmental organizations, charities, religious institutions, educational and cultural organizations, veterans'

organizations and fraternal lodges. North Carolina statutes also exempt certain properties from listing for property taxes, including burial properties, solid waste disposal equipment, business inventory, cotton in storage (under certain conditions), and air and water pollution equipment. Reduced assessments are granted to owners of farms, historical properties, single residences of the elderly, and certain disabled

## EXHIBIT 2: PROPERTY TAXES IN NORTH CAROLINA With Assessed Valuations Over \$8 Billion

County	Valuation	Revaluation	Tax Rate
Alamance	\$12,673,692,612	2009	\$0.5300
Brunswick	25,227,864,286	2011	0.4425
Buncombe	28,774,209,184	2013	0.6040
Cabarrus	19,637,250,415	2012	0.7000
Carteret	15,680,238,957	2011	0.3000
Catawba	16,566,178,314	2011	0.5300
Chatham	9,341,077,177	2009	0.6219
Cleveland	8,007,801,522	2008	0.7200
Craven	9,898,259,828	2010	0.4675
Cumberland	22,746,787,298	2009	0.7400
Dare	12,853,443,254	2013	0.4300
Davidson	13,459,619,841	2007	0.5400
Durham	31,668,763,550	2008	0.7931
Forsyth	32,131,461,268	2013	0.7168
Gaston	15,313,249,593	2007	0.8700
Guilford	46,484,069,035	2012	0.7700
Henderson	12,500,355,830	2011	0.5136
Iredell	21,131,539,689	2011	0.4850
Jackson	11,533,354,025	2008	0.2800
Johnston	14,415,835,677	2011	0.7800
Macon	9,451,360,432	2007	0.2790
<b>Mecklenburg</b>	<b>116,667,198,333</b>	<b>2011</b>	<b>0.8157</b>
Moore	12,340,310,654	2007	0.4650
New Hanover	29,745,241,147	2012	0.5540
Onslow	13,154,328,002	2014	0.6750
Orange	16,422,635,725	2009	0.8780
Pitt	11,748,415,204	2012	0.6800
Randolph	10,352,105,580	2014	0.6550
Rowan	11,777,659,835	2011	0.6500
Union	24,516,411,481	2008	0.7614
Wake	127,562,136,214	2008	0.5780
Watauga	8,804,426,138	2014	0.3130

**Note:** Includes valuations of classified registered motor vehicles for which tax notices were issued in accordance with G.S. 105-330.5(a) on or before December 31, 2013, net releases made by that date.

**Source:** N.C. Department of Revenue, Tax Research Division

veterans. For fiscal year 2014, the County's total exempted or reduced assessments were approximately \$17.2 billion in real and personal property valuation. Exhibit 2 shows the counties in the State with an assessed valuation exceeding \$8 billion as of January 1, 2014, their tax levies and rates.

### COUNTY SERVICES

The services the County provides for its residents are categorized into the four major areas described below.

#### HEALTH AND HUMAN SERVICES

This area includes Social Services, Health, Mental Health and Community Support Services. The Board serves as the Board of Social Services, Board of Health and Area Mental Health Authority.

The Department of Social Services (DSS) provides the services necessary to prevent or relieve economic and emotional hardship, and to rally the community to improve the quality of life for its residents. State and Federal agencies regulate the County's social services programs, and over half the DSS funding comes from these sources. DSS is charged with the countywide administration of all social services programs.

The major divisions of DSS are Economic Services, Services for Adults and Youth and Family Services. Economic and temporary assistance programs are handled through Economic Services and include Work First, Food Stamps and Medicaid. Youth and Family Services addresses the special needs of families and children, providing protective services, foster care, adoption, and emergency assistance. The Services for Adults Division provides assistance for adults and individuals with disabilities, including Medicaid, adult protective services, senior congregate nutrition, home delivered meals, transportation, community social work and monitoring of adult group care homes. All services promote independence and the highest quality of life in the least restrictive environment to delay or eliminate placement in an institutional setting at a far greater cost.

The Health Department is responsible for assessing health services in the community, mobilizing community action to address them and protecting the health of the public by assuring that essential services are provided. Services include health promotion and education, communicable disease control, clinical preventive services, dental health, public health laboratory services, epidemiology and vital statistics.

The Area Mental Health, Developmental Disabilities and Substance Abuse Authority (Area Mental Health)

administers, coordinates and monitors the delivery of substance abuse, mental health and developmental disabilities services and programs for County residents. A wide range of prevention, treatment and rehabilitation services are available in all three areas. Services for the severe and persistently mentally ill, including medication management and day programs are directly provided through Area Mental Health's Case Management Services. Case management is also provided for severely and emotionally disturbed youth whose behavior brings them into conflict with their families, schools and the courts, as well as for individuals whose developmental disabilities include mental retardation and autism. Detoxification and residential rehabilitation services are provided to those residents experiencing the physical and psychological problems associated with alcohol and drug abuse, while education services aid in the prevention of substance abuse. Children's Developmental Services provides assessment, evaluation and treatment for developmentally delayed infants and toddlers through age five.

Community Support Services provides guidance, counseling, education and vocational assistance to promote the well-being and productivity of women, and provides services to military veterans in the County.

#### DETENTION AND COURT SUPPORT SERVICES

The Sheriff, Jails, Medical Examiner, Child Support Enforcement and coordination with the courts fall within this core service. The Sheriff is responsible for supervising all activities relating to the jails, providing bailiffs in courtrooms, serving court orders and papers and issuing handgun permits. The Jail North facility, a sentenced jail facility that also houses youthful offenders with a capacity of 721 beds, is located in the northern part of the county and Jail Central, located in downtown Charlotte, is a pre-trial facility with 1,904 beds. The Work Release Restitution Center, also located in downtown Charlotte, has 90 beds. The Medical Examiner provides autopsy and investigative services to the County and surrounding counties. Child Support Enforcement provides child support services to ensure both parents support their children to extent of their ability. Court coordination includes administrative and case management services supporting the Public Defender's office.

#### LAND USE AND ENVIRONMENTAL SERVICES

The services provided by the Land Use and Environmental Services Agency include listing and appraising all real and personal property in the County and regulating the development of land and construction of residential, commercial and industrial facilities. Other services offered are regulating solid waste disposal, regulating sanitation of food and

## FACTS AND INFORMATION

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lodging establishments, enforcing groundwater ordinances, monitoring air pollution and control of hazardous substances. Some staff members serve, by law, as agents of the Federal EPA in the enforcement of air quality programs. Also included in this area are Geospatial Information Services and the Register of Deeds office that handles deed filings, land transfers and vital records.

### COMMUNITY SERVICES

Included in this service area are the Public Library of Charlotte and Mecklenburg County (the Library), Park and Recreation and the Board of Elections. The Library, reported as a component unit in the basic financial statements, provides research services, access to reading and audio-visual materials as well as special programs for children and senior citizens at the Main Library, ImaginOn, The Joe & Joan Martin Center, and 20 branch libraries. Park and Recreation offers a variety of educational, cultural and recreational activities. This is accomplished through

the programs offered to the residents of the County at the numerous parks, greenways, recreation centers and golf courses located on 21,292 acres of park land throughout the County. The Board of Elections supervises and manages all activities relating to elections, including voter registration and the operation of voting sites and services. There are 638,628 registered voters and 2,223 voting panels in the County as of July 2015.

### OTHER SERVICE AREAS

The four major service areas are supported by general operating departments organized into the three areas: *Customer Satisfaction and Management Services*, *Administrative Services* and *Financial Services*. Additionally, *Business Partners* contains expenditures to the various agencies the County funds under statutory regulations or contractual agreement: Charlotte-Mecklenburg Schools, Central Piedmont Community College and Mecklenburg Emergency Medical Services Agency.





## THE COUNTY'S ECONOMIC LANDSCAPE

### GENERAL DESCRIPTION

Mecklenburg County is located in south central North Carolina on the South Carolina border. Situated in the gently rolling Piedmont Region of the Appalachian Highlands, the County is approximately 180 miles from the Atlantic coast, 390 miles southwest of Washington, and 250 miles northeast of Atlanta. Mecklenburg's topography varies from a mean sea level measurement of 840 feet at the northern end to 532 feet at the southern boundary. The County has a landmass of 541 square miles which excludes approximately 26.5 square miles of water resources provided by Lake Wylie, Mountain Island Lake, Lake Norman, and the Catawba River. Mountain Island Lake is the primary source of usable water for the County. The lakes, all part of the Catawba River Basin, are utilized in the production of electricity and provide recreational areas for the County.

EXHIBIT 3:

#### Mecklenburg County Population

2015	1,055,791
2014	1,027,034
2013	999,060
2012	966,160
2011	938,020

Source: Charlotte Chamber of Commerce

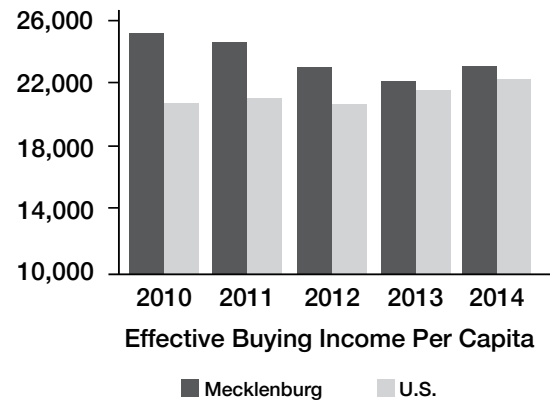
The County has experienced population growth of 12.6% over the last five years, as presented in the chart at Exhibit 3 and continues to be the most populous county in the State. The County enjoys a relatively comfortable year-round climate that makes it appealing to residents and industry alike. The weather includes sunny or partly sunny skies about eight months out of the year. Extreme temperatures and severe weather are rare. Winters are mild with a January average low temperature of 32 degrees. The average high temperature in July is 90 degrees. Average rainfall is 43 inches. The combination of moderate and reasonable humidity makes the County well suited for commerce and industry.

### GENERAL ECONOMIC INDICATORS

The Charlotte Chamber of Commerce provided the most recent information on Effective Buying Income (EBI). EBI

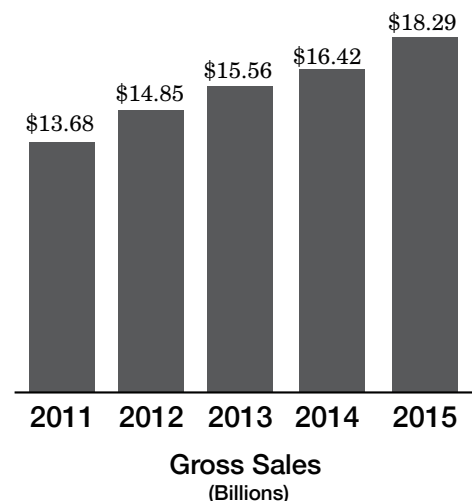
is an accepted economic indicator of income after subtracting mandatory taxes. For calendar year 2014, the County's EBI per capita increased by 3.6% from calendar year 2013. However, the County remained above the national average for EBI per capita for calendar years 2009 through 2014. Exhibit 4 shows that there has been a decrease in EBI per capita for the County and no significant change in EBI for the United States for the last few years. Both have been adjusted to account for inflation.

EXHIBIT 4:



Gross Retail Sales, generally accepted as a reliable indicator as to how well an economy is progressing, is shown in Exhibit 5 for the County. The data is provided by the North Carolina Department of Revenue. In fiscal year 2012 gross taxable sales exceeded fiscal year 2008 value of 14.18 billion showing signs that the County had recovered from the recession. From fiscal year 2011 through fiscal year 2015 gross taxable sales increased by 33.7%.

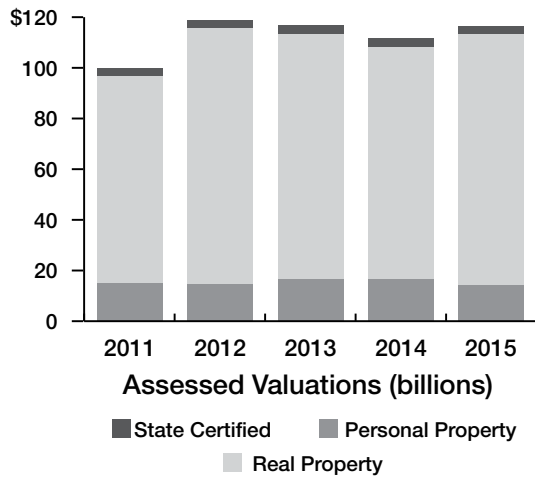
EXHIBIT 5:





## FACTS AND INFORMATION

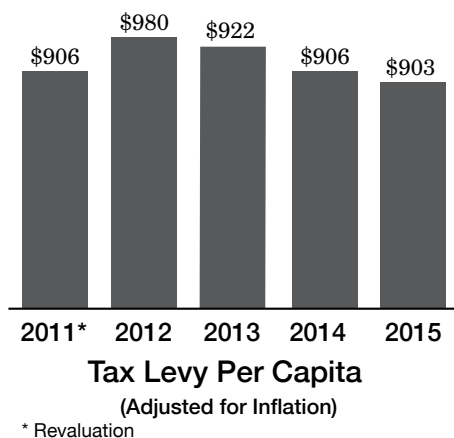
**EXHIBIT 6:**



### GROWTH OF THE TAX BASE

Exhibit 6 shows the increase in the tax base over the last five years. Assessments for fiscal year 2011 were \$100.3 billion increasing to \$112.9 billion in 2014, a 12% increase and in 2015 it decreased to 118.6. Fiscal year 2012 was a revaluation year which accounted for the majority of the increase. Between fiscal years 2010 and 2014, the general tax levy increased 10.9% from \$838.8 million in 2010 to \$930.3 million in 2014. The Tax Levy Per Capita for this period is presented in Exhibit 7. This measure is achieved using the Implicit Price Deflator Index (Base year 2000) to adjust the tax levy for inflation and then applying the annual county population. The tax levy per capita amount has remained relatively flat from fiscal years 2010 through 2011. From fiscal year 2010 through 2011, the tax rate remained unchanged and in 2012 and 2013 the tax rate declined. In fiscal year 2012, the tax levy per capita increased as a result of an increase in the tax base due to revaluations, however in fiscal 2013, the tax levy per capita decreased.

**EXHIBIT 7:**



The County's ten principal taxpayers, as presented in Table 9 of the Statistical Section, contribute 8% of total assessed valuation and represent a wide range of industrial categories. Six of the ten principal taxpayers in fiscal year 2015 have consistently been in this group for the past ten years.

### TRANSPORTATION

Availability of transportation alternatives is a major draw for attracting businesses to the County. The County is served by Interstate Highways 77(I-277) and 85 (I-485), which intersect in Charlotte; by U.S. Highways 21, 29, 52, 74, 521 and 601; and by N.C. Highways 16, 24, 27, 49, 51, 73, 115 and 160. The final segment of the 67-mile I-485 outer belt freeway being built around the inside perimeter of the County opened in June 2015. Major expansion, maintenance and improvements of primary and secondary highways within the County are primarily the responsibility of the State. Each municipality within the County bears the primary responsibility for its local street system; therefore the County has no financial obligation with respect to the construction and maintenance of roads.

To help reduce automobile commuting into Charlotte, the Blue Line light rail service between downtown Charlotte and I-485 at the south end of the County began service in November 2007 with an initial average daily ridership of 9,100. By June 30, 2015, the average daily ridership increased to 13,749, an increase of 53% over the initial average daily ridership. CATS Lynx blue line operates 20 light rail vehicles and had a ridership for all of fiscal year 2015 of 5,018,421.

Rail and air service provide strong support for local commercial operations. The County established an Inland Port in 1984, a worldwide gateway linking importers and exporters globally. Charlotte also offers a Foreign Trade Zone and full U.S. Customs facilities. The County is served by Norfolk Southern Railway and CSX Transportation, the country's two major rail systems which link the County to 23 states, DC and Canada. Both main line railroads have junctions within the County and offer reciprocal switching among the lines as well as piggyback facilities that interface with trucking companies in the area. Amtrak in Charlotte provides north and south passenger lines that can connect to access most of the United States.

Charlotte-Douglas International Airport, the country's 6th largest nationwide in operations, is served by eight domestic carriers passenger carriers including Southwest Airlines, American Airlines, Delta Air Lines, JetBlue Airways, United Airlines Frontier Airlines, US Airways and Via Air. The airport as of July 2015 averages over 713 daily departures

and direct /nonstop flights to 159 destinations nationwide and around the world. An estimated total of 22.1 million passengers boarded flights at the airport and over 131,475 tons of domestic and international cargo were handled in calendar year 2014.

**EXHIBIT 8:  
Industry Structure**

Industry	Number of Units	Average Employment
Accommodation and Food Services	2,523	54,314
Administrative and Waste Services	2,553	52,769
Agriculture, Forestry, Fishing & Hunting	30	741
Arts, Entertainment and Recreation	547	12,856
Construction	2,566	29,073
Education Services	694	37,693
Finance and Insurance	2,508	55,531
Health Care and Social Assistance	2,868	71,985
Information	667	21,844
Management of Companies and Enterprises	379	28,060
Manufacturing	1,014	32,463
Mining	13	209
Other Services, Ex. Public Admin	2,990	14,957
Professional and Technical Services	5,797	49,917
Public Administration	66	17,207
Real Estate, Rental and Leasing	1,943	11,348
Retail Trade	3,531	61,237
Transportation and Warehousing	931	33,844
Utilities	22	1,895
Wholesale Trade	3,021	36,526
<b>TOTAL</b>	<b>34,663</b>	<b>624,469</b>

Note: Data may not sum to totals due to suppression of data  
Source: N.C. Department of Employment Security, 1Q 2015

## EMPLOYMENT AND THE ECONOMY

Six Fortune 500 companies are headquartered in the County – Duke Energy, Domtar, Nucor, Sonic Automotive, Family

**EXHIBIT 10:**

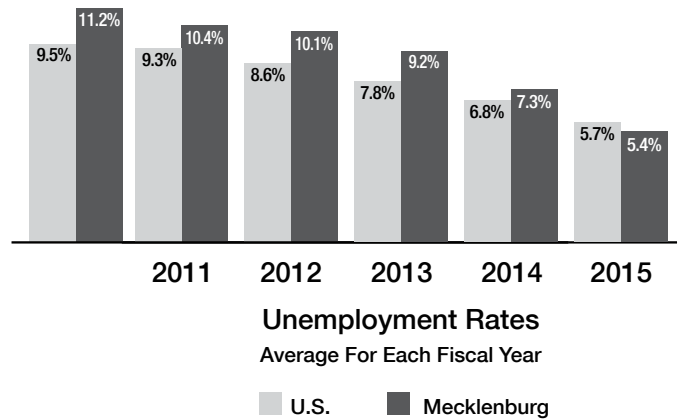
### Number and Value of Building Permits

Mecklenburg County, North Carolina  
Value (Millions)

Calendar Year	Number Building Permits	Residential	Non-Residential	Total
2014	16,843	\$ 1,433.8	\$ 1,281.1	\$ 2,714.9
2013	15,694	1,417.7	1,260.9	2,678.6
2012	15,046	1,149.4	1,259.5	2,408.9
2011	13,321	762.6	1,173.8	1,936.4
2010	12,968	529.3	719.3	1,248.6

**Source:** Land Use and Environmental Services.  
Compiled by Charlotte Chamber of Commerce

**EXHIBIT 9:**



Dollar, Bank of America, and sealed air. Additionally, Lowe's, another fortune 500 company is located in nearby Iredell County.

The County has rebounded in the areas of construction, manufacturing, professional services and transportation as the County experienced growth in the economy. The growth has contributed to the County's unemployment rate of 5.7% by June 30, 2015, which was slightly below the State rate of 5.8% and more than national rate of 5.3%. Exhibit 9 presents the averaged monthly unemployment rates for each of the past five fiscal years, per the U. S. Department of Labor Benchmarked data. Exhibit 9 shows that the average unemployment for Mecklenburg County has decreased from 7.3% for fiscal year 2014 to 5.4% for fiscal year 2015.

Overall, the construction industry in the County has been impacted by the economy consistent with other parts of the nation. Exhibit 10 shows that the number of total building permits increased in calendar year 2013 by 4.3% from the prior calendar year and from calendar year 2010 to 2014

**EXHIBIT 11:**

### New Residential Construction by Type

Mecklenburg County, North Carolina  
(Number of Units)

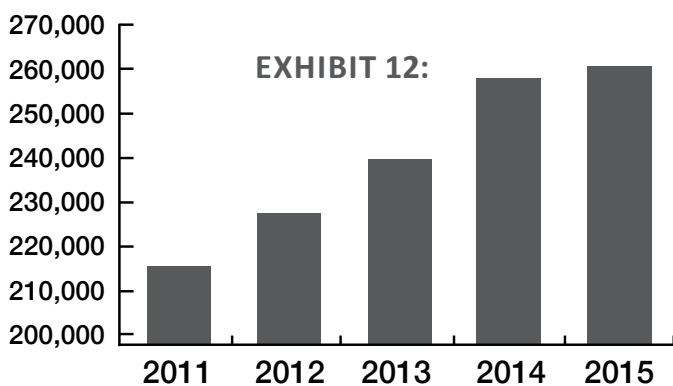
Calendar Year	Single Family	Multi-Family	Total
2014	4,693	6,147	10,840
2013	7,523	5,434	12,957
2012	4,589	5,601	10,190
2011	3,050	2,539	5,589
2010	2,958	1,565	4,523

**Source:** Land Use and Environmental Services  
Compiled by Charlotte Chamber of Commerce

## FACTS AND INFORMATION

there was a 29.9% increase. Exhibit 11 presents new residential construction by type, which shows that construction starts had an 27.2% increase from calendar year 2012 to 2013. With regard to existing residential home sales, Charlotte has retained home values better than other parts of the Country. Exhibit 12 shows the average home prices as of June over the last five years. Average home prices had a slight increased from 2014 to 2015, with the average home price at \$260,003 at June 30, 2015. In addition, from June 2011 to June 2015 the number of house closings increased 20.1%.

The largest employers by employees have remained relatively consistent over the last couple of years and showcase Mecklenburg County's economic profile. Some of the largest employers are in the healthcare, banking, financial services and retail trade industry. Exhibit 13 presents the firms employing over 2,000 persons in the County, as of May 2015, the most recent available information:



**Average Home Sales Price**

Source: NC Association of Realtors

### EXHIBIT 13: Employers of 2,000 or More Persons

20,000 to 35,000 Employees	Carolinas Healthcare System*
	Wells Fargo Company
10,000 to 19,999 Employees	Charlotte-Mecklenburg Schools*
	Wal-Mart Stores, Inc.
	Bank of America
	Lowe's
	Novant Health
	American Airlines
	Harris Teeter
5,000 to 9,999 Employees	Duke Energy Corporation
	State of North Carolina
	City of Charlotte
	Daimler Trucks North America LLC
	Mecklenburg County
2,000 to 4,999 Employees	YMCA of Greater Charlotte
	U.S. Postal Service
	Caromont Health Inc.
	AT&T North Carolina
	TIAA - CREF
	Time Warner Cable
	Target Stores
	UNC Charlotte
	Corestaff Services
	McDonald's
	CPCC
	Adecco Staffing
	Family Dollar Stores
	Fedex Freight
	Bi-Lo
	Marriott Hotels
	IBM Corp.
	Century Furniture
	Carowinds
	Belk
	Yum Brands Inc.
	DMSI & DMSI Staffing
	BB&T
	Robert Half International
	Aerotek, Inc.

\* Headquartered in the County

**Source:** Charlotte Chamber of Commerce

## EDUCATION

Public education in the County is provided by the Charlotte-Mecklenburg Schools, the 18th largest school system in the nation, based on student enrollment as cited by the National Center for Education Statistics. Exhibit 14 details the enrollment in the Charlotte-Mecklenburg Schools for the last five years.

### EXHIBIT 14:

#### Charlotte-Mecklenburg School Enrollment

Year	Average Daily Memberships (ADM)					Number Enrolled	Percent ADM Enrolled	Number of Schools
	K-5	6-8	9-12	Special	Total			
2014 - 2015	69,960	32,003	40,336	1,646	143,945	145,493	98.9%	165
2013 - 2014	69,422	31,715	38,898	1,691	141,726	145,493	99.4%	160
2012 - 2013	69,014	31,227	38,087	1,662	139,990	141,171	99.2%	159
2011 - 2012	69,324	30,076	35,596	1,751	136,747	138,012	99.1%	159
2010 - 2011	67,435	29,737	35,194	1,808	134,174	135,638	98.9%	178

**Source:** Charlotte - Mecklenburg Board of Education

A nine-member Board of Education is the policy-making authority. Board of Education members are elected to four-year staggered terms on a non-partisan basis. Administrative responsibility is vested in an appointed superintendent who serves as chief executive officer.

The Board of Education relies upon the County for local funds needed to support public school current expense and capital outlay needs. The total fiscal year 2015 school budget was approximately \$1.3 billion: 57.1% provided by the State, 29.6% by the County (mostly through property taxes), 11.7% by the federal government and 1.6% other revenue. Most local funds are used to supplement regular State salaries, to hire extra teachers not provided for by the State and for operation and maintenance of school buildings.

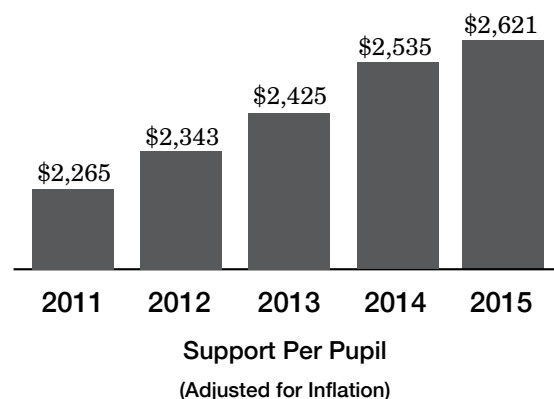
The fiscal year 2015 adopted budget included a \$376 million allocation from the County for operational expenses of the public school system. In accordance with the N.C. General Statutes, the Board of Education must present its current expense and capital outlay budget requests to the County by May 30 each year. Appropriations to the Board of Education are discussed in the County's budget hearings and the approved amount for the schools is appropriated in the County's operating budget adopted by July 1.

For the 2014-2015 school year, the Board of Education operated 91 elementary schools, 39 middle schools and 31 high schools. There is also a center for students who are

mentally disabled, a school for teenage parents, a school for artistically talented students, a program for the emotionally handicapped, an alternative discipline program, five pre-school programs for four-year-olds with a total enrollment 2,695, and an alternative school for students benefiting from additional attention received in a smaller classroom environment.

The County's support per student, exclusive of debt service and based on total enrollment, is shown in Exhibit 15. From fiscal year 2011 to fiscal year 2015 there was an increase in the support per pupil reflecting restoration of funding as the economy improved. The operational costs are adjusted for inflation to 2015 current dollars using the Implicit Price Deflator Index.

### EXHIBIT 15:



## FACTS AND INFORMATION

Charter schools in North Carolina were created through legislation passed in 1997 by the North Carolina General Assembly. Charter schools are separate entities and are not a component of the local public school system. As part of the funding for charter schools, the legislation requires a portion of the local County funds designated for education to be redirected by the Board of Education to charter schools. For the 2014-2015 school year, the portion of local education funds budgeted to be redirected to the eleven charter schools operating in the County was \$29.6 million.

Colleges and universities located in the County offer a range of opportunities for higher education. The area offers the opportunity to attend exceptional, small private colleges, church affiliated institutions, a community college or a large state university. Exhibit 16 presents the most recent enrollment data available for colleges and universities within the County.

The University of North Carolina at Charlotte (UNC-Charlotte), part of the State university system of colleges,

is one of the State's most progressive institutions of teaching, research and public service. UNC-Charlotte's doctoral programs include biology, information technology, electrical engineering, mechanical engineering and applied mathematics. It also is one of only three universities in North Carolina that offer degrees in business administration at the bachelor's, master's and doctoral levels.

Central Piedmont Community College (CPCC) has been recognized nationally as one of the top three community colleges in America for teaching experience. Class instruction occurs at all six campus locations, the Corporate Training Center and at various other sites across the County. CPCC received \$32.2 million from the County in fiscal year 2015. County funding is used for operating expenses, salary supplements for professional and clerical employees and those items that are not funded by the State. The County also issues bonds and certificates of participation for CPCC projects that are included in the Capital Improvements Program and pays the debt service on those financings.

**EXHIBIT 16:**

	Fall 2015 Enrollment		Fall 2014 Enrollment	
	<u>Students</u>	<u>Faculty<sup>1</sup></u>	<u>Students</u>	<u>Faculty<sup>1</sup></u>
University of North Carolina at Charlotte	27,983	n/a	27,238	n/a
Central Piedmont Community College	19,064	938	19,802	968
Johnson & Wales University	2,218	105	2,302	110
Queens University of Charlotte	2,228	296	2,248	269
Davidson College	1,784	186	1,770	186
Johnson C. Smith University	1,438	167	1,402	178
Charlotte School of Law	918	99	1,280	120
Pfeiffer University - Charlotte Campus	943	79	964	43
Kings College	388	20	410	21
Wingate University - Metro College	491	37	486	43
Carolina College of Health Sciences	346	63	371	66
Gardner - Webb University - Charlotte Center	218	25	242	22
Union - PSCE at Charlotte	68	9	79	5

<sup>1</sup>Includes part-time instructors. UNCC could not provide faculty count.

**Source:** Individual Institutions



## MEDICAL

The medical facilities located in the County and their respective licensed bed capacities are shown in Exhibit 17 as of January 2014.

**EXHIBIT 17:**

Hospital	Number of Licensed Beds
Carolinas Medical Center <sup>1</sup>	629
Novant Health Presbyterian Medical Center <sup>2</sup>	622
Carolinas Medical - Pineville <sup>1</sup>	235
Levine Children's Hospital <sup>1</sup>	198
Carolinas Medical Center-Mercy <sup>1</sup>	162
Novant Health Matthews Medical Center - Matthews <sup>2</sup>	137
Carolinas Medical Center-University <sup>1</sup>	94
Novant Health Charlotte Orthopedic Hospital <sup>1</sup>	80
Novant Health Huntersville Medical Center <sup>2</sup>	75
Carolinas Rehabilitation <sup>1</sup>	70
Behavioral Health Center - CMC Randolph <sup>1</sup>	66
Carolinas Specialty Hospital <sup>3</sup>	40
Behavioral Health Center - CMC Mercy Horizon	11

<sup>1</sup> Managed by Carolinas Healthcare System

<sup>2</sup> Managed by Novant Health Inc.

<sup>3</sup> Managed by Acuity Healthcare

**Source:** Charlotte Chamber of Commerce

## CULTURAL AND RECREATIONAL ACTIVITIES

Theater, art and music offerings abound throughout the County. Spirit Square and Discovery Place offer unique

ways to discover and participate in the arts and sciences. The Mint Museum of Art, the Knight Theater, the Bechtler Museum of Modern Art and the Harvey Gantt Center form the new Arts Campus in uptown Charlotte offering an array of visual arts and bringing special exhibitions to the County. The North Carolina Blumenthal Center for the Performing Arts showcases the best in opera, chorus, symphony, dance and theater in its 2,100 seat performance hall and 440 seat theater. ImaginOn, the Joe & Joan Martin Center, includes a state of the art theater for children. The County also has its share of historical sites and museums. The McIntyre Historic Site was the scene of a Revolutionary War skirmish and later a gold mining site. Latta Plantation was built around 1800 and the restored river plantation house is now included in the park on the plantation site. The old County Courthouse on East Trade Street is the site of a monument to the signers of the Mecklenburg Declaration of Independence. Collections and exhibits emphasizing the history of Mecklenburg County are housed at the Charlotte Museum of History and Hezekiah Alexander Homesite. The Museum of the New South traces the history of the area since the Civil War.

Concerts by nationally prominent groups and solo artists at the Time Warner Arena, Ovens Auditorium, Bojangles Coliseum, PNC Music Pavillion, Memorial Stadium, Grady Cole Center, Carowinds Palladium and North Carolina Music Factory draw thousands for musical entertainment. The Festival in the Park is an annual event featuring arts, crafts, food and music for the entire family. The Carowinds theme park is also a popular destination for tourists seeking family entertainment. The diverse assortment of



## FACTS AND INFORMATION

recreational and cultural activities helps make the County the most popular tourist destination in the State.

The County offers practically any sport or recreational endeavor one would like to pursue. Recreational pleasures can be enjoyed at any of the County's parks or one of its five public golf courses. County park facilities include tennis courts, swimming pools, spray grounds, community centers, picnic areas, ball fields, fitness trails, dog parks, mountain biking, fishing, canoeing, soccer fields, disc golf courses, playground equipment, an equestrian center, a skate park, a dirt bike track and an indoor water park, Ray's Splash Planet. The County also operates a fully-equipped Aquatics Center. Located 10 minutes from downtown Charlotte, the U.S. National Whitewater Center offers water activities and is the official home of the U.S. Kayak Team.

The area also offers many opportunities for spectator sports. The Carolina Panthers, an NFL franchise, play at Bank of America Stadium, which seats 73,250. The Charlotte Hornets, an NBA team, plays at the 19,026 seat Time-Warner Cable Arena. Charlotte Motor Speedway, one of the few super speedways in the country, is host to

three top NASCAR Nextel Cup events: The Nextel All-star Challenge, the Coca-Cola 600 and the Bank of America 500. The annual Race Week preceding the Coca-Cola 600 draws thousands of tourists to the County, while the race is one of the largest single-day sporting events in the country. The Nascar Hall of Fame is fueled with more than 50 interactive experiences like tire-changing stations, realistic race simulators, a broadcast booth and even a kid's zone. The County and surrounding areas are also home to the Charlotte Knights, a class AAA professional baseball team whose parent club is the Chicago White Sox, and the Charlotte Checkers, an American Hockey League team affiliated with the National Hockey League's New York Rangers. The Wells Fargo Championship golf tournament is held at the Quail Hollow Club each May.

### SUMMARY

Mecklenburg County is a vibrant growing area that continues to draw new people and businesses via relocation. The climate, diversity of industries, cultural opportunities and recreational activities create a desirable environment for the residents of the County.





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FIVE YEAR TRENDS

EXHIBIT 1:  
Revenue By Source

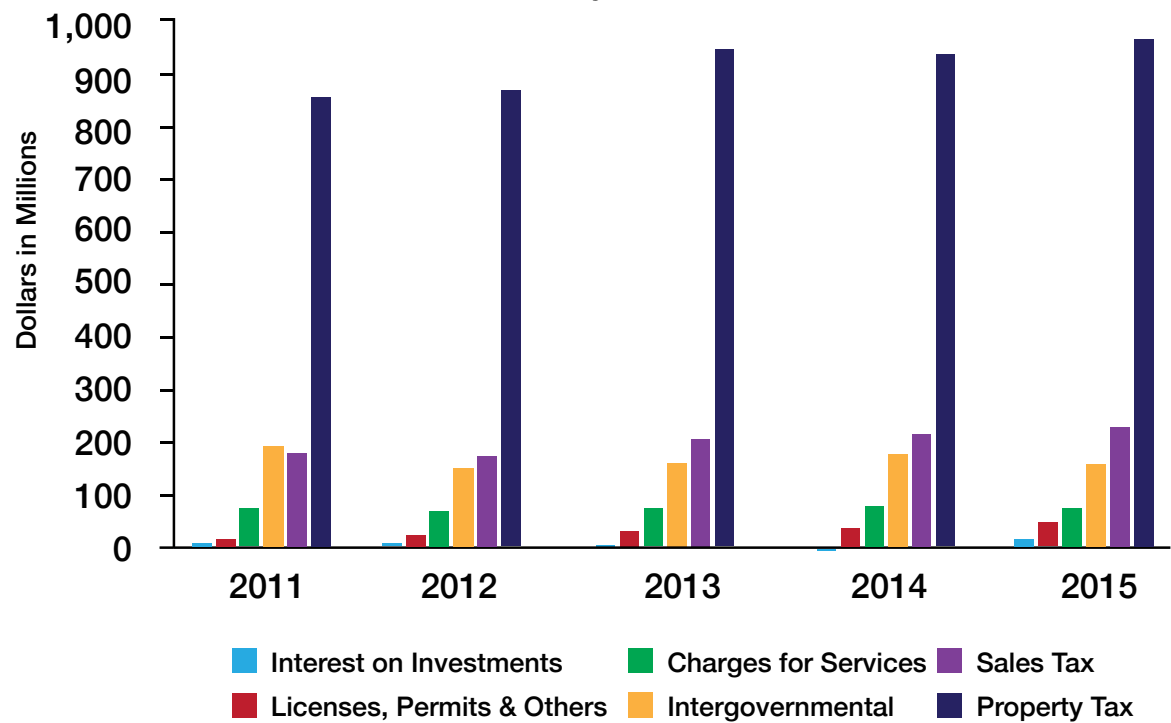
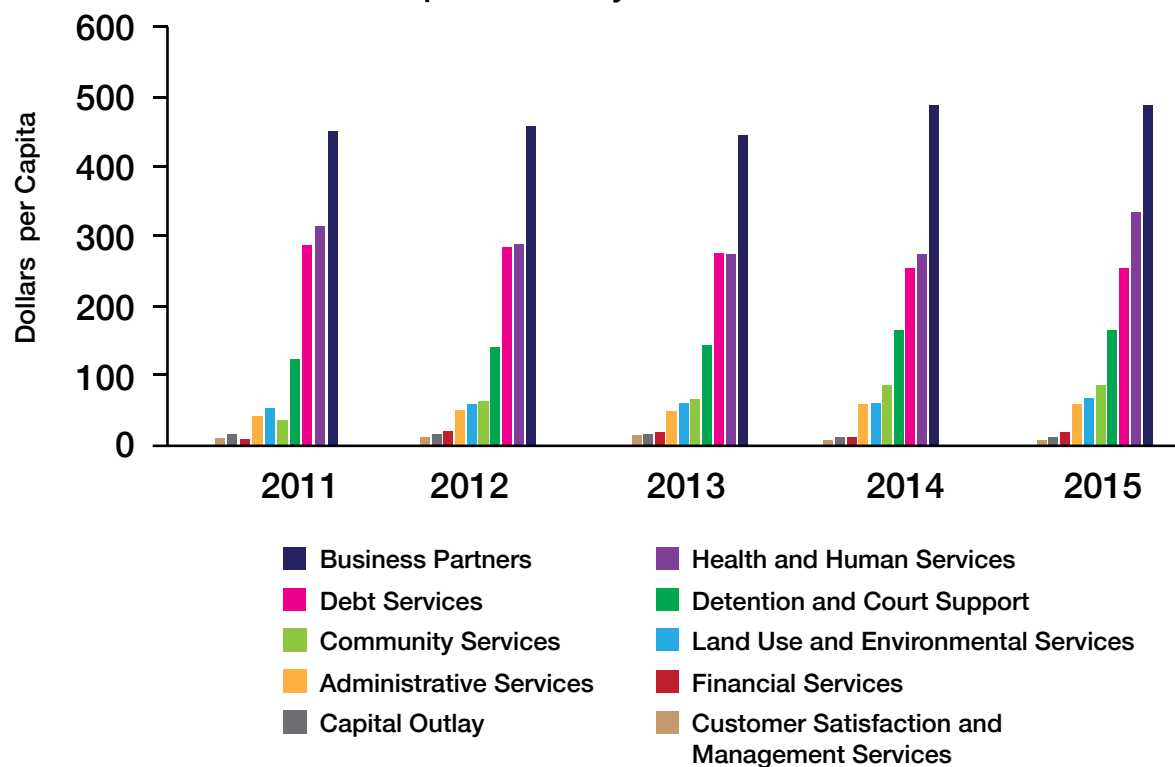


EXHIBIT 2:  
Expenditures By Source



Five-year trend analysis is provided for the County's governmental activities, excluding capital project revenues and expenditures. Exhibits 1 and 2 present revenues and expenditures, respectively for the five fiscal years 2011 through 2015. Revenues are presented as whole dollars, while the expenditures are shown on a per capita basis. To eliminate the effect of inflation and provide a better comparison of changes between years, both exhibits have been adjusted using the Implicit Price Deflator Index (base year = 2000), a nationally recognized indicator of annual economic growth, so that each dollar in any given year has the buying power of a 2015 dollar.

### REVENUES

Property taxes are the most significant source of revenue during the five-year period presented by Exhibit 1. Approximately 62.9% of total revenue in fiscal year 2015 came from property taxes, which is lower than the five year average contribution to total revenue of 64.5%. Property tax revenues increased 6.8% over the five year period from fiscal year 2011 to fiscal year 2015. In fiscal years 2012 and 2013 the tax rate decreased to 81.66 and 79.22 cents, respectively, to offset the increase in assessed valuation due to the county-wide revaluation, this decreased revenue by \$3.7 million. The tax rate increased to 81.57 cents in fiscal year 2014 resulting in an increase of property tax revenue of \$25.2 million from 2013 to 2014. In fiscal year 2015 the rate remained 81.57 cents. Revenue decreased by \$41.5 million from fiscal years 2014 to 2015. The decrease in revenues from the prior year is primarily due to the reductions in property values related to the 2011 property tax revaluation and SL362 adopted by the legislature to correct the general reappraisals resulting in property values that do not comply with the requirements of North Carolina Law.

Intergovernmental revenues fluctuate with the level of grant awards, and state and federal revenue to the County. For the five years presented, intergovernmental revenues have contributed between 15.2% in fiscal year 2011 to the 11.6% of revenue in fiscal year 2015, reflecting the changes in grant awards and state and federal revenue to the County during the period and the impact of other revenue changes.

Sales tax revenues are collected by the State of North Carolina and distributed to counties based on a combination of point of delivery of the goods sold and a per capita basis. The County experienced a \$71.1 million increase in sales tax revenues from fiscal year 2011 through fiscal year 2015. This is due in part to retail sales increasing as the economy recovers. The contribution to total governmental revenues was 17.1% for fiscal year 2015 as compared

to 15.2% for fiscal year 2014, 14.8% for fiscal year 2013, 14.2% for fiscal year 2012 and 13.2% for fiscal year 2011.

The percentage of charges for services to total revenue has seen a gradual decline from 5.2% in fiscal year 2011 to 4.8% in fiscal year 2015. For fiscal year 2011, the reductions resulted from reduced revenues for Land Use and Environmental Services, the Register of Deeds, and other fee based services tied to the construction and real estate industries that have suffered extreme downturns. In fiscal year 2012 revenue increased 2.1% over fiscal year 2011 reflecting a slight increase in fee-based activities. In fiscal year 2013 revenue increased 7.2% over fiscal year 2012 reflecting an increase in fee based services for Land Use and Environmental Services and Detention and Court Support Services. In fiscal year 2014 revenue decreased 5.0% from fiscal year 2013 reflecting decreases in fee based services for Detention and Court Support Services, Health and Human Services, Administrative Services, Community Services and Business Partners. In fiscal year 2015 revenue decreased 3.2% from fiscal year 2014 reflecting a decrease in fee based services for Detention and Court Support Services.

Over the five year period licenses, permits and other revenues contributed 2.3% in fiscal year 2011, 2.4% in fiscal year 2012, 2.7% in fiscal year 2013, 3.1% in fiscal year 2014 and 3.2% in fiscal year 2015. This category includes all construction and inspection permit revenues that are rebounding slightly from the downturn in the building trades.

Interest on investments for fiscal year 2015 increased 74.7% from 2011 reflecting the current interest rate environment. Over the five year period investment earnings contributed 0.2% in fiscal years 2011 and 2012, -0.3% in fiscal year 2013, 0.7% in fiscal year 2014 and 0.4% in fiscal year 2015.

### EXPENDITURES

#### CUSTOMER SATISFACTION AND MANAGEMENT SERVICES

This service area includes the County Commissioners, Manager's Office, Economic Development and Public Information Office. It represents 1.2% of total expenditures for governmental activities for fiscal year 2011, decreasing to 1.0% for fiscal years 2012 and 2013 and increasing to 1.2% for fiscal years 2014 and 2015. Inflation adjusted expenditures on a per capita basis for this service area were \$15.77 in fiscal year 2011. In fiscal year 2012, expenditures per capita basis decreased to \$13.84 due to reorganization of County departments and population growth. In fiscal year 2013, expenditures per capita basis had a slight decrease to



## FIVE YEAR TRENDS

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\$13.60 again due to population growth. In fiscal year 2014, expenditures per capita basis had an increase to \$14.67. In fiscal year 2015, expenditures increased again to \$16.36.

### **LAND USE AND ENVIRONMENTAL SERVICES**

Land Use and Environmental Services remained steady at 4.1% in 2011 and 2012, increased slightly to 4.3% in fiscal year 2013 and increased again in fiscal year 2014 to 4.8%. Code Enforcement, Storm Water, Property Assessment and Land Records, Environmental Protection and Environmental Health, plus the Register of Deeds and County Assessor's Office comprise this service area which has been affected significantly by the downturn in the economy. In fiscal year 2015 they decreased slightly to 3.8%. During the last five years inflation adjusted cost per capita was \$55.53 in fiscal year 2011, in 2012 decreased to \$54.43, increased to \$55.77 in fiscal year 2013, increased again to \$60.03 in fiscal year 2014 and decreased again to \$50.24 in 2015. In fiscal year 2011, code enforcement and building inspection activity declined and these areas reduced spending due to the downturn in the economy. Spending increased in fiscal years 2013 and 2014 due to improvements in the construction industry.

### **COMMUNITY SERVICES**

Community Services includes Park and Recreation, Board of Elections and the Public Library of Charlotte and Mecklenburg County. For fiscal years 2011 through 2015 cost per capita for this service area has ranged from a high of \$67.94 in fiscal year 2011 to \$62.23 in the current year, with an average of \$61.72 for the five year period. The decrease in per capita expenditures reflects the overall economic atmosphere that caused County departments to reduce spending in fiscal year 2011 and continuing in 2012. There are fewer park and recreation programs; libraries plus other community service costs cut, to meet the County's reduced spending budgets.

### **HEALTH AND HUMAN SERVICES**

County operations for Social Services, Public Health, Mental Health, Provided Services Organization and Community Support Services are the primary departments in this service area. The cost for these services in fiscal year 2011 was \$287.6 million. Fiscal year 2012 saw a drop in spending to \$259.7 reflecting a decrease in the County's Behavior Health Center funding. Fiscal year 2013 saw a continual drop in spending to \$252.5. In fiscal year 2014 spending dropped to \$236.3 reflecting a continued drop in mental health spending. In fiscal year 2015 spending increased to \$265.3 due to the County's Behavioral Health

funding. As a percent of total expenditures, this functional area has dropped from 22.8% in fiscal year 2011 to 19.1% of total expenditures for governmental activities in fiscal year 2015, as other functional areas have grown more. Inflation-adjusted expenditures in Health and Human Services on a per capita basis have declined from \$306.57 in fiscal year 2011 to \$251.26 in fiscal year 2015, reflecting reduced spending as well as the 23.6% growth in population during the period. Exhibit 2 excludes federal and state benefit payments made directly by the State to County social services clients.

### **DETENTION AND COURT SUPPORT SERVICES**

Detention and Court Support Services includes the Medical Examiner, Criminal Justice Services, Child Support Enforcement, and Sheriff's Office, which is responsible for jail operations and coordination with the courts. This service area has increased from 9.0% of expenditures for fiscal year 2011 to 10.1% of expenditures for fiscal year 2015. Expenditures have increased 1.10% from fiscal year 2011 to 2015, resulting primarily from growth of jail operations. Detention and Court Support Services inflation-adjusted expenditures on a per capita basis have increased from \$121.01 in fiscal 2011 to \$132.87 in fiscal year 2015 as the costs of service in this area increased more than the increase in population of the County over the five year period.

### **ADMINISTRATIVE SERVICES**

This service area consists of County internal and administrative activities that provide management support to other County departments and operations. Included here are Internal Audit, Human Resources, Information Services and Technology, and Real Estate Services. Administrative Services represent 7.2% of expenditures for governmental activities. The cost per capita slightly increased from \$54.64 in fiscal year 2011 to \$94.38 in fiscal year 2015. The increase in earlier years was partially due to funding for the retiree medical benefits to comply with GASB Statement 45.

### **FINANCIAL SERVICES**

Resource management is the focus of this service area that consists of Central Finance, Departmental Financial Services Finance and Procurement. Expenditures for this service area represent 0.8% of expenditures for governmental activities in fiscal year 2011, increasing to 1.4% in 2012, decreasing slightly to 1.3% in 2013, 1.2% in fiscal year 2014 and 1.1% in fiscal year 2015. Expenditures increased from \$9.6 million in fiscal year 2011 to \$15.4 million in fiscal year 2015. Expenditures per capita increased from

\$10.20 in fiscal year 2011 to \$14.59 in fiscal year 2015 reflecting the effect of inflation and the reassignment of Procurement to the Financial Services Department.

### **BUSINESS PARTNERS**

Allocations and appropriations to other governmental entities and joint governmental activities are included in this service area that represents 35.3% of expenditures for governmental activities. Primary recipients of County funding are the Charlotte-Mecklenburg Schools, Central Piedmont Community College, and the Mecklenburg Emergency Medical Services Agency, a component unit of the County. Funding to the Charlotte-Mecklenburg Schools is the primary Business Partner expenditure. Allocations to the Charlotte-Mecklenburg Schools for current operations and capital outlay have increased from \$307.2 million in fiscal year 2011 to \$333.3 in 2012 to provide additional support to the schools for increased school enrollment. Allocations continue to increase in fiscal years 2013, 2014 and 2015 to \$342.4, \$361.5 and \$393.2. Business Partners expenditures

have increased from \$413.8 million in 2011 to \$490.8 million in fiscal year 2015. The per capita expenditures for the five year period have increased from \$441.18 in fiscal year 2011 to \$464.82 in fiscal year 2015, as the expenditures are spread over an increase in population.

### **DEBT SERVICE**

Debt Service, which consists of principal and interest payments for debt issued for County projects and debt issued for the Charlotte-Mecklenburg Schools, Central Piedmont Community College, and the Public Library, decreased from \$257.3 million in fiscal year 2011 to \$220.8 million in fiscal year 2015. Debt service as a percent of total governmental expenditures has decreased from 20.4% in fiscal year 2011 to 15.9% in fiscal year 2015, reflecting no debt issuance in fiscal year 2011 and refundings in fiscal years 2012 and 2013 of existing debt at lower interest rates. These are also reflected in the debt service expenditures per capita of \$274.26 in fiscal year 2011 and \$209.12 in fiscal year 2015.



## BOARD OF COUNTY COMMISSIONERS



**Trevor Fuller**  
*Chairman*  
*At-Large*



**Dumont Clarke**  
*Vice-Chairman*  
*District 4*



**Pat Cotham**  
*At-Large*



**Ella Scarborough**  
*At-Large*



**Jim Puckett**  
*District 1*



**Vilma Leake**  
*District 2*



**George Dunlap**  
*District 3*



**Matthew Ridenhour**  
*District 5*



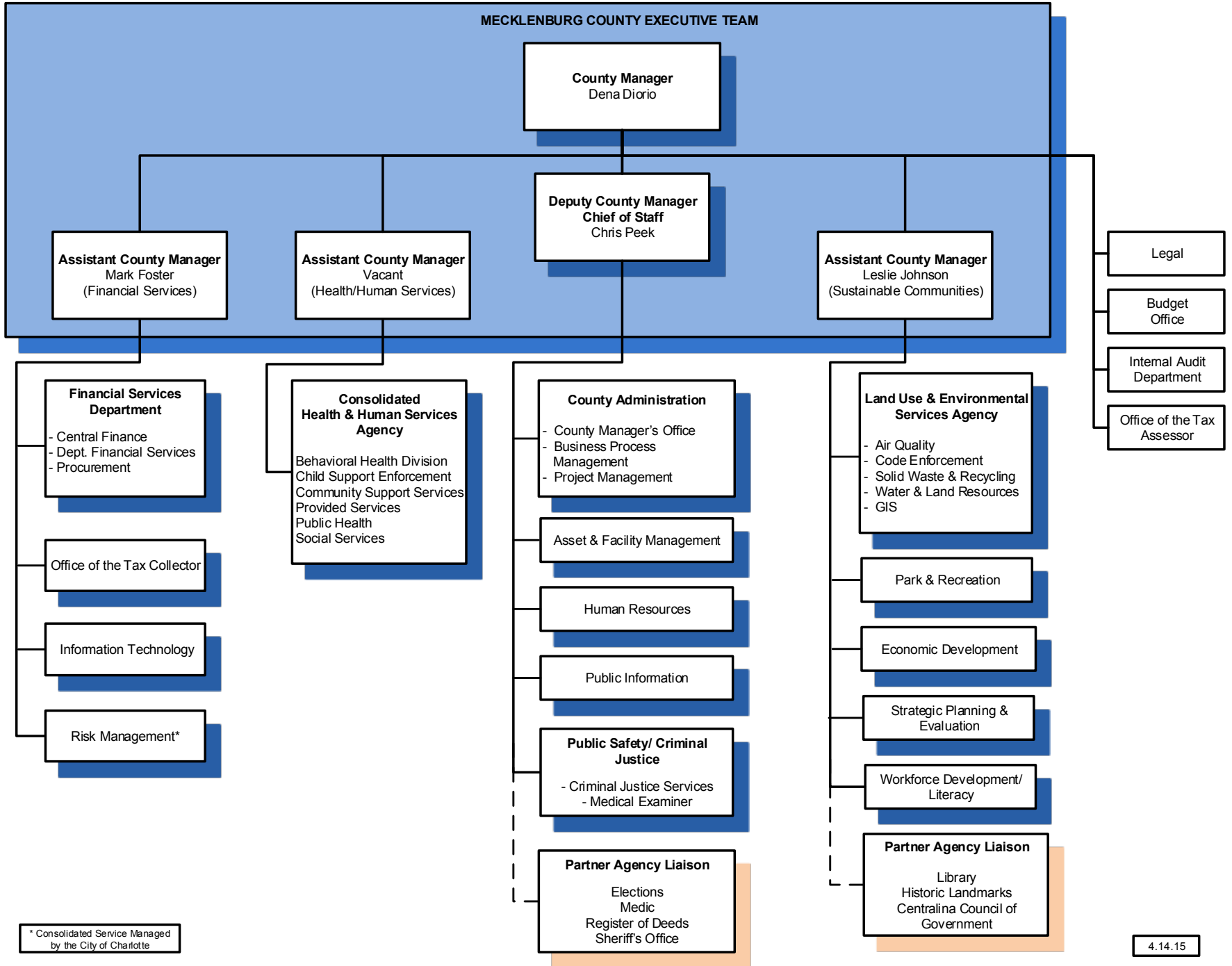
**Bill James**  
*District 6*



**Dena R. Diorio**  
*County Manager*



**Wanda Reeves**  
*Director of*  
*Financial Services*





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Mecklenburg County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive.

Executive Director/CEO



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Prepared by the Mecklenburg County, North Carolina  
Financial Services Department*

**DIRECTOR OF FINANCIAL SERVICES**

**Wanda F. Reeves**

**FINANCE CAFR TEAM**

**Patricia Gibson**

*Deputy Director*

**Kathy Pond**

*Deputy Division Director II*

**Stephanie Prioleau**

*Accounting Director*

**Dimitrios P. Foster**

*Senior Fiscal Analyst*

**Cameron Herrera**

*Senior Fiscal Analyst*

**Tyane Johnson**

*Senior Fiscal Analyst*

**Kenneth Myers**

*Senior Fiscal Analyst*

**Terri H. Peters**

*Senior Fiscal Analyst*

**Shawn E. Phillips**

*Senior Fiscal Analyst*

**Delois Wesson**

*Senior Fiscal Analyst*

**Ernestine Berry**

*Fiscal Analyst*

**Cheryl H. Duke**

*Investment Officer*

**ACKNOWLEDGEMENTS**

**Central Finance Department**

**Office of the Tax Collector**

**Departmental Financial Services**

**Office of Management and Budget**







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## Financial Section

The Financial Section constitutes the core of the report. The independent auditors' report covers the basic financial statements and the notes to the statements. Management's Discussion and Analysis provides a narrative introduction, overview and analysis of the statements that follow.





## Report of Independent Auditor

The Honorable Members of the Board  
of County Commissioners  
Mecklenburg County, North Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Mecklenburg County, North Carolina (the "County"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Mecklenburg County ABC Board (the "ABC Board"). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Mecklenburg Emergency Medical Services Agency (the Agency) and the ABC Board were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 21 to the basic financial statements, the County adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. As a result, net position as of June 30, 2014 in the Statement of Activities has been restated. Our opinion is not modified with respect to this matter.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary and Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the County. The introductory section, combining and individual fund statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance

A handwritten signature in black ink that reads "Cherry Bekaert LHP". The signature is written in a cursive, flowing style.

Raleigh, North Carolina  
November 23, 2015

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## INTRODUCTION

Management's Discussion and Analysis provides a narrative discussion of the County's financial activities as a whole for the year ended June 30, 2015 with comparisons to the prior year, where appropriate. The information complements the data presented in the basic financial statements. Its purpose, along with the material in the Transmittal Letter in the Introduction, is to enhance the reader's understanding of the County's financial performance.

## HIGHLIGHTS OF THE YEAR

- On the Statement of Net Position, liabilities exceed assets reflecting the County's legal responsibility to issue and pay for debt, primarily general obligation bonds, for the Charlotte-Mecklenburg Schools, Central Piedmont Community College, the Public Library of Charlotte and Mecklenburg County as well as for Mecklenburg County. The assets acquired with the debt are owned by each of these governmental units, and therefore, the assets are not included in the County's Statement of Net Position.
- For the year ended June 30, 2015, the Statement of Activities reflects an increase in net position of \$54.0 million as compared to an increase in net position in the prior year of \$187.2 million, resulting from a 5.8% decrease in operating expenses as well as a decrease of 13.0% in revenues, both program and general.
- The governmental funds total fund balances increased by \$17.5 million from the prior year total ending fund balance of \$828.4 million. The increase is the result of higher than expected revenues, in sales tax and licenses and permits. Of the \$846.0 million of governmental fund balances, total fund balance of \$332.3 million is available for future years' spending as unassigned fund balance.
- The unassigned fund balance of the General Fund at June 30, 2015 is \$356.5 million, which represents 30.16% of fiscal year 2016 budgeted General Fund expenditures or 109 days of operating expenses.

## OVERVIEW

The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Several schedules of required supplementary information, as well as combining and other individual fund schedules required by State statute, follow the notes to the financial statements.

## REPORTING THE COUNTY AS A WHOLE

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. Both of these statements provide data about the County's financial activities as a whole and present a longer-term view of the County's finances. These statements use the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The Statement of Net Position presents assets and deferred outflows of resources less liabilities and deferred inflows of resources, thus presenting the County's financial condition at the end of the fiscal year, while the Statement of Activities presents information showing how the County's net position changed during the fiscal year.

The Statement of Net Position and the Statement of Activities divide the County's operations into three types of activities:

- **Governmental activities** – those activities supported primarily by taxes and intergovernmental revenues. The following eight core service areas comprise the County's governmental activities: Customer Satisfaction and Management Services, Administrative Services, Financial Services, Land Use and Environmental Services, Community Services, Detention and Court Support Services, Health and Human Services, and Business Partners.
- **Business-type activities** – those activities that recover a significant portion of their costs through user fees and charges. The Solid Waste Enterprise Fund and the MeckLink Fund are the County's business-type activities.
- **Component Units** – these are separate organizations for which the County provides financial support and/or appoints their governing board. The Public Library of Charlotte and Mecklenburg County, the Mecklenburg County Alcoholic Beverage Control Board and the Mecklenburg Emergency Medical Services Agency are each component units of the County.

The government-wide statements follow Management's Discussion and Analysis.

## REPORTING THE COUNTY'S SIGNIFICANT FUNDS

Funds are sets of self-balancing accounts that reflect the assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses of resources that are segregated for specific activities or for compliance with legal provisions. The funds used by the County can be divided into three categories:

- **Governmental funds:** Most of the County's services are reported in governmental funds, which focus on the flows of money into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating the resources available to finance County programs in the near future. The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities allows the reader to compare the information presented for governmental funds with similar information presented for the governmental activities.

The County's governmental funds are: the General Fund; the Debt Service Fund; seven Special Revenue Funds established under the provisions of the North Carolina General Statutes which account for revenues that are restricted for special purpose expenditures; and thirteen Capital Projects Funds, including the Certificates of Participation Fund, which account for the proceeds of bond issues and all other resources used for the purpose of constructing or purchasing all aspects of capital assets. The General Fund and Debt Service Fund are presented individually on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances, because each meets the Governmental Accounting Standards Board (GASB) definition of a major fund for reporting purposes. The remaining governmental funds are combined into a single, aggregated presentation titled Nonmajor Funds. Individual fund data for each of the Nonmajor governmental funds is provided in the section, Combining and Individual Fund Financial Statements and Schedules.

- The County adopts an annual appropriated budget for the General Fund. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the General Fund provides a budgetary comparison of the adopted budget, final budget and actual expenditures.

- **Proprietary funds:** The Solid Waste Enterprise Fund and the MeckLink Fund are the County's proprietary funds and are presented in the business-type activities column of the government-wide financial statements, because those funds operate similar to private business enterprises.
- **Fiduciary funds:** The County established the Post-employment Healthcare Benefit Fund to account for contributions and expenditures related to providing healthcare benefits to qualified retired County employees in accordance with the guidelines of Government Accounting Standards Board Statement 43. Also, the County holds certain resources for the benefit of employees and parties outside the government, which are accounted for as agency funds. Since the resources of these funds are not available to finance County programs, the funds are not included in the government-wide financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

The information reported in the notes to the financial statements provides additional disclosures necessary to a complete understanding of the data presented in the government-wide and fund financial statements.

## OTHER FINANCIAL INFORMATION

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning the Law Enforcement Special Separation Allowance, Post Employment Health Benefits, Local Governmental Employees' Retirement System, and Registers of Deeds' Supplemental Pension Fund. Required supplementary information follows the Notes to the Financial Statements.

Following the required supplementary information are the combining schedules for the Nonmajor governmental funds and the fiduciary funds. These include budget/actual schedules for the Special Revenue Funds, the Enterprise Funds, the Grants Capital Project Fund, as well as the Landfill Construction, Final Development and Postclosure Reserve Fund.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following summarizes Net Position (Deficit) at June 30, 2015 and 2014:

	Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>						
Current and other assets	\$ 1,073,673	\$ 1,003,182	\$40,154	\$ 52,246	\$ 1,113,827	\$1,055,428
Capital assets, net	1,011,571	984,293	58,907	60,189	1,070,478	1,044,482
Total Assets	2,085,244	1,987,475	99,061	112,435	2,184,305	2,099,910
Total deferred outflows of resources	68,225	41,321	317	-	68,542	41,321
<b>LIABILITIES</b>						
Current and other liabilities	178,042	142,220	994	7,597	179,036	149,817
Long-term liabilities:						
Due within one year	194,519	179,218	898	865	195,417	180,083
Due after one year	1,684,407	1,715,548	19,464	20,200	1,703,871	1,735,748
Total Liabilities	2,056,968	2,036,986	21,356	28,662	2,078,324	2,065,648
Total deferred inflows of resources	71,356	34	852	-	72,208	34
<b>NET POSITION</b>						
Net investment in capital assets	719,935	644,430	49,139	51,059	769,074	695,489
Restricted	203,973	227,559	1,150	6,338	205,123	233,897
Unrestricted (Deficit)	(898,763)	(880,213)	26,881	26,376	(871,882)	(853,837)
Total Net Position (Deficit)	\$ 25,145	\$ (8,224)	\$77,170	\$ 83,773	\$ 102,315	\$ 75,549

While total net position is often considered a useful indicator of a government's financial condition, it does not adequately reflect the County's position. In accordance with the North Carolina General Statutes, the County is the issuer and payer of debt for capital purposes for the Charlotte-Mecklenburg Schools, Central Piedmont Community College, and the Public Library of Charlotte and Mecklenburg County. This debt, which totals \$1.242 billion at June 30, 2015, is recorded in long-term liabilities with no offsetting capital assets recorded, as the assets are owned by the agencies. The agencies use the debt proceeds to acquire or construct capital assets. The effect of this accounting is to distort Net Position of the County. The County's Net Position increased from a net position of \$75.5 million to a Net Position of \$102.3 million, a change of 35.43%. Total assets increased 4.0% while total liabilities increased 0.6%. The contribution to net position from revenues and expenditures decreased from a gain of

\$187.2 million at June 30, 2014 to \$54.0 million at June 30, 2015. These changes relate to decreases in spending and in revenues. Invested in capital assets, net of any related outstanding debt of those assets, relates to County only activities. This amount increased from \$695.5 million at June 30, 2014 to \$769.1 million at June 30, 2015 as new assets were acquired and the associated debt declined. Capital assets include land, buildings, vehicles, equipment, computer equipment and other machinery used in providing services to residents. Also, restricted net position of \$233.9 million at June 30, 2014 and \$205.1 million at June 30, 2015 represent resources that are subject to external restrictions on how they may be used. The increase in the deficit unrestricted net position is the result of increased debt with no asset offset. Net position does not present the County's position regarding spending, which is presented in the governmental funds statements.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

The County experienced an addition to net position this year, as indicated in the following table of changes in net position for the year ended June 30, 2015, with comparison to the prior year.

Changes in Net Position (in thousands)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 102,629	\$ 105,544	\$ 14,001	\$ 13,015	\$ 116,630	\$ 118,559
Operating grants and contributions	170,926	163,398	2,327	178,172	173,253	341,570
Capital grants and contributions	3,770	1,137	32	-	3,802	1,137
General Revenues:						
Property taxes	898,820	967,797	-	-	898,820	967,797
Sales taxes	249,764	225,404	-	-	249,764	225,404
Other taxes	13,671	15,108	-	-	13,671	15,108
Investment income	5,328	10,919	197	178	5,525	11,097
Other	-	-	1,650	1,838	1,650	1,838
Total Revenues	1,444,908	1,489,307	18,207	193,203	1,463,115	1,682,510
<b>EXPENSES</b>						
Program Expenses:						
Customer Satisfaction and Management Services	17,065	15,100	-	-	17,065	15,100
Administrative Services	110,754	86,252	-	-	110,754	86,252
Financial Services	30,607	20,250	-	-	30,607	20,250
Land Use and Environmental Services	48,085	58,463	-	-	48,085	58,463
Community Services	69,097	65,201	-	-	69,097	65,201
Detention and Court Support Services	150,146	151,528	-	-	150,146	151,528
Health and Human Services	261,478	238,683	-	-	261,478	238,683
Business Partners	649,587	596,593	-	-	649,587	596,593
Interest Expense	60,882	65,039	-	-	60,882	65,039
Solid Waste	-	-	14,749	14,569	14,749	14,569
MeckLink	-	-	(3,316)	183,627	(3,316)	183,627
Total Expenses	1,397,701	1,297,109	11,433	198,196	1,409,134	1,495,305
Increase in net position before transfers	47,207	192,198	6,774	(4,993)	53,981	187,205
Transfers	12,981	(10,543)	(12,981)	10,543	-	-
Increase in net position after transfers	60,188	181,655	(6,207)	5,550	53,981	187,205
previously reported	(8,224)	(169,771)	83,773	78,223	75,549	(91,548)
Restatement	(26,819)	(20,108)	(396)	-	(27,215)	(20,108)
Net position (Deficit), Beginning, restated	(35,043)	(189,879)	83,377	78,223	48,334	(111,656)
Net position (Deficit), End of year	\$ 25,145	\$ (8,224)	\$ 77,170	\$ 83,773	\$ 102,315	\$ 75,549



# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## GOVERNMENTAL-TYPE ACTIVITIES

Program revenues covered 20.7% of County expenses at June 30, 2014 and 19.6% at June 30, 2015, with general revenues covering the balance of expenses. The change in net position for the year ended June 30, 2015 results from higher revenues - primarily sales taxes and licenses and permits. Property tax revenues decreased \$69.0 million (7.13%) from the prior year. Sales tax revenue increased \$24.4 million (10.8%) from fiscal year 2014 due to economic growth. Investment income decreased \$5.6 million from the year ended June 30, 2014 due to declines in fair market value from the previous year. Charges to users of County services generated revenues that supported 7.3% of County governmental operations for fiscal 2015 and 8.1% for fiscal year 2014. The County continued its strategy to secure a maximum amount of grant funds provided by state and federal agencies. Revenues from operating grants increased \$7.5 million (4.6%) in fiscal year 2015. The County covered 12.2% of expenses with grant revenues in fiscal year 2015 and 12.6% in fiscal year 2014.

## BUSINESS-TYPE ACTIVITIES

The Solid Waste Enterprise Fund operates recycling programs, staffed drop-off facilities, a large compost operation, and the Foxhole Landfill. The program also owns a Materials Recycling Facility (MRF) operated by a private vendor through a contractual arrangement. Revenues are generated from several sources: an annual residential solid waste disposal fee of \$15 per residential unit; a negotiated landfill tipping fee at a private sanitary landfill of approximately \$29 per ton for residential waste; a tipping fee of \$39 per ton for commercial construction debris at the County owned Foxhole Landfill; sale of recycled materials from the MRF operations. The user fees charged for solid waste services have not changed from FY2014 to FY2015; however revenues have remained positive due to growth in tonnages received. Solid Waste activity contributed 1.0% to the primary government's total revenue for fiscal year 2015 as compared to .9% contributed for fiscal year 2014.

The MeckLink Enterprise Fund was fully implemented in March 2013. This fund accounted for activities related to the delivery of services to individuals with mental illness, intellectual and developmental disabilities and substance abuse disorders. In fiscal year 2014, MeckLink functions transitioned to another agency, and final close-out of the fund occurred in fiscal year 2015.

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### GOVERNMENTAL FUNDS

Governmental funds focus on the inflows and outflows of current financial resources and measure the change in net spendable resources during the year. Such information is useful in assessing the County's financing requirements. In particular, committed, assigned, and unassigned fund balance may serve as a useful measure of net resources available for spending at the end of the year. The County's governmental fund types include the General Fund, Debt Service Fund, Special Revenue Funds and Capital Projects Funds.

### GENERAL FUND

The General Fund, which is a major fund and the County's primary operating fund, had a fund balance of \$474.1 million, of which \$97.5 million is restricted for Stabilization by State Statute and \$1.2 million is restricted for Health and Human Services; \$17.7 million is committed for Land Use and Environmental Services, \$872,201 is committed for Detention and Court Support Services, \$390,000 is committed for Administrative Services, and \$356.5 million is unassigned. The General Fund total revenues were less than budget by \$42.6 million, and revenues were less than expenditures by \$44.5 million, as explained more fully below.

Revenues for the General Fund decreased \$31.9 million, or 2.9% from fiscal 2014:

- Property tax revenues decreased 6.1% from the prior year due to reductions in property values related to the 2011 property tax revaluation and SL362 adopted by the legislature to correct the general reappraisals resulting in property values that do not comply with the requirements of North Carolina Law. These reductions in values also generated refunds which caused negative prior year property tax collections. These refunds apply to previous tax years 2011, 2012, 2013 and 2014. For 2015, the collection rates were consistent with the prior year. Current year collections represented 99.3% of the current year levy, while total tax collections represented 99.3% of the current year's tax levy.
- Sales tax revenues reported in the General Fund were \$159.1 million, an increase \$14.1 million from fiscal year 2014 reflecting the County's increase in consumer spending.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

- Intergovernmental revenues totaled \$155.6 million as compared to \$148.3 million for fiscal year 2014. The change in revenue levels results from a decrease in grant funding. State and federal grant funds supported service programs of varying size and complexity to help accommodate service needs of County residents while minimizing local costs. Grant programs are summarized in Exhibit 1.
- Charges for services revenue decreased 7.1% from the prior year. Licenses and permit fees increased 3.76% from the prior year due to the increase in construction permit revenue.
- Interest earned on investments decreased \$6.0 million from the amount recorded in fiscal year 2014. The decrease results from declines in fair market value from the previous year. The County follows sound investment practices and strives to maximize invested balances and interest earnings within the parameters of allowable investment vehicles.

The composition of the General Fund revenue dollar for fiscal years 2015 and 2014 are illustrated in Exhibit 2.

General Fund expenditures increased \$86.1 million (8.5%) over those of last year. Exhibit 3 graphically illustrates the County's expenditure dollar for the two years.

For some functional areas, such as Financial Services and Detention and Court Support Services, expenditures remained comparable to the prior year. However, Customer Satisfaction and Management, which includes County Commissioners, Economic Development, Public Service and Information and the Manager's Office, increased 14.7% from the prior year. The County continues to serve the needs of the residents while being good stewards of taxpayer resources. It is also a priority to continue investing in

## EXHIBIT 1:

### Grant Programs

All Funds

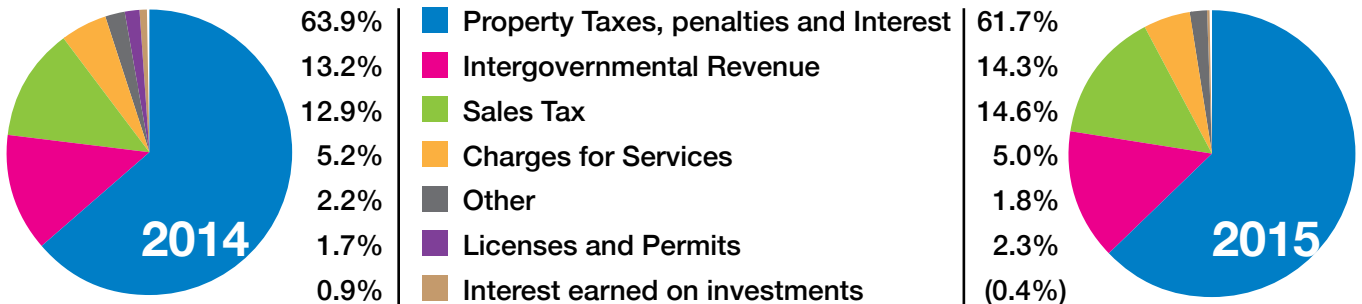
Program Category	Number	Revenue (millions)
Social Services	56	\$128.9
Health	39	30.5
Other	42	7.5
Total	137	\$166.9

economic development opportunities. Administration and Health and Human Services also experienced an increase in expenditures during the fiscal year, while Land Use and Environmental Services expenditures decreased.

Current expenditures for education, both the Charlotte-Mecklenburg Schools and Central Piedmont Community College, as well as the County's contribution to the Mecklenburg Emergency Medical Services Agency and other outside agencies are included in Business Partners. Charlotte-Mecklenburg Schools and Central Piedmont Community College expenditures comprise 95.2% of Business Partners expenditures. Funds for the operations of the Charlotte-Mecklenburg Schools were \$393.2 million including capital outlay, \$31.7 million more than the amount allocated for fiscal year 2014. Funding to Central Piedmont Community College was \$32.3 million, an increase of 4.53%. These changes, plus adjustments to other outside agencies resulted in an overall increase in expenditures to Business Partners of \$33.2 million from fiscal year 2014.

## EXHIBIT 2:

### Revenue Sources - Fiscal Year



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## EXHIBIT 3:

### Expenditures by Core Service - Fiscal Year



### DEBT SERVICE FUND

The Debt service fund, which has two components, was established to account for payment of and accumulation of resources for the County's debt service. General debt service, which covers the capital needs of the County, primarily libraries, courts and parks and recreation, decreased by 13.7% from the prior year. The second component, debt service related to education, both for the Charlotte-Mecklenburg schools and Central Piedmont Community College, increased by 9.8%, reflecting the continued debt to fund the capital needs of the schools and community college.

### SPECIAL REVENUE FUNDS

Total revenues for the seven Special Revenue Funds, increased in comparison to fiscal year 2014. Overall, total revenues increased \$6.7 million or 9.1% over the prior year. The change in revenue is primarily attributable to the following: \$5.3 million increase in the Transit One-Half Cent Sales Tax, \$1.8 million increase for charges for services, and Intergovernmental revenues decreased \$.7 million.

### CAPITAL PROJECTS FUNDS

More than half of each year's expenditures are for construction, renovations and improvements to school facilities. This results from the County's focus on completing projects as well as adding new capital projects. Funding for capital projects is supplied by proceeds from new bonds, unexpended bond proceeds, and pay-as-you-go annual funding appropriated in the adopted budget.

Based on the above discussion of the government-wide and fund financial statements, and considering the County's Triple A bond rating and debt capacity, which

are discussed below and in the Notes to the Basic Financial Statements, the overall financial position of the County continues to be strong.

### GENERAL FUND BUDGET HIGHLIGHTS

The County's annual balanced budget is prepared on the modified accrual basis of accounting in accordance with the Budget & Fiscal Control Act of the North Carolina General Statutes, and includes all appropriations required for debt service. The General Fund is the most significant fund budgeted.

Statutory provisions allow the budget to be amended during the year. The County Manager or her designee is authorized to transfer budget amounts within funds. All budget amendments that alter the total budget of a fund must be approved by the Board. The General Fund, as the primary fund supporting all major activities of the County, is monitored closely by the Director of Financial Services for possible revenue shortfalls or potential overspending. Purchase orders and contracts are not considered valid until the Director of Finance has certified the funds are available to make payment upon satisfactory completion of the contract or delivery of the items ordered.

The County revised the General Fund budget on several occasions throughout the year. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, primarily Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments adopted during

## MANAGEMENT'S DISCUSSION AND ANALYSIS

the year increased the overall general fund budget \$17.1 million primarily for increases to grant funded activities.

General Fund revenues were under final budget by \$42.6 million (3.9%) reflecting decreased property tax collections (\$55.3 million), increased interest on delinquent taxes (\$.3 million), increased sales tax (\$12.2 million), and increased interest earned on investments (\$1.3 million), increases in licenses and fees (\$2.4 million) and decreases in charges for services (\$7.4 million) Intergovernmental revenue increased (\$3.4 million) resulting primarily from increases in federal, state and local funding for grants.

General Fund expenditures were under budget \$63.9million, a variance of 5.5% from the final budget. This results from departments and business partners reduced spending as well as encumbrances remaining outstanding at June 30, 2015, as these amounts are not included in the GAAP actual numbers. Some variances, such as Health and Human Services (\$27.7 million) and Land Use and Environmental Services (\$8.7 million), include varied grants where program spending did not reach expected levels.

### CAPITAL ASSETS

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities at June 30, 2015 totals \$1.0 billion. Capital assets include land, land improvements, buildings and

improvements, vehicles and heavy equipment, furniture, machinery, and other equipment, antiques and artifacts, computer equipment and construction in progress. Capital assets are reported in the government-wide financial statements and in the enterprise funds financial statements. Governmental funds treat capital acquisitions as expenditures in the period in which they are purchased. The investment in capital assets, net of accumulated depreciation, increased 2.8% from last year for governmental activities and the business-type activities investment in capital assets, net of accumulated depreciation, decreased 2.1%. The change in governmental activities assets results from: 1) a net decrease to buildings and improvements totaling \$3.0 million due to an increase in depreciation for buildings and improvements added; 2) an increase to construction in progress of \$10.5 million; 3) and an increase to land of \$21.2 million. The change in vehicles and heavy equipment results from the acquisition of assets, while the increase in furniture, machinery and equipment results from the net change of adding and disposing of items. The \$1.3 million decrease in business-type activities (enterprise fund) is the result of a decrease in land improvements of \$.3 million, increase in construction and progress \$.7 million, decreases in buildings and improvements \$.5 million, decreases in furniture, machinery and equipment \$.9 along with the effect of depreciation for activities at the landfill.

Note 5 to the Basic Financial Statements explains in detail the capital asset activities for the year ended June 30, 2015.

### Capital Assets, Net of Accumulated Depreciation

(in thousands)

Description	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 467,642	\$ 446,412	\$31,136	\$ 31,112	\$ 498,778	\$ 477,524
Construction in progress	104,199	93,666	9,179	8,457	113,378	102,123
Land improvements	28,244	29,848	6,349	6,698	34,593	36,546
Buildings and improvements	388,805	391,788	5,320	5,831	394,125	397,619
Vehicles and heavy equipment	12,476	11,008	1,757	1,612	14,233	12,620
Furniture, machinery and equipment	4,682	4,481	5,166	6,136	9,848	10,617
Computer software	5,523	7,090	-	343	5,523	7,433
Total	<u>\$ 1,011,571</u>	<u>\$ 984,293</u>	<u>\$58,907</u>	<u>\$ 60,189</u>	<u>\$ 1,070,478</u>	<u>\$ 1,044,482</u>



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## DEBT ADMINISTRATION

The County issues general obligation bonds to fund the acquisition and construction of major capital facilities for the County, schools, community college and library. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County also issues certificates of participation and limited obligation bonds to provide funding for school, library, community college, and County capital needs. At June 30, 2015 and 2014, general obligation bonds and certificates of participation consisted of:

### General Obligation Bonds and Installment Financings

Description	(in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Public Improvement Bonds	\$ 1,183,165	\$ 1,210,405	\$ -	\$ -	\$ 1,183,165	\$ 1,210,405
Installment Financings	370,423	404,983	-	-	370,423	404,983
Special Obligation Bonds	-	-	10,145	10,865	10,145	10,865

The County debt policy provides guidelines, parameters, and procedural requirements for the issuance and management of debt. Some of the guidelines used in managing debt issuance include debt per capita, debt as a percentage of assessed valuation and debt service as a percentage of the operational budget.

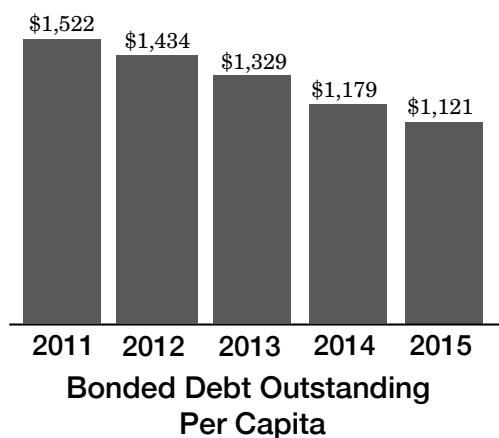
Exhibit 4 shows the County's net per capita outstanding bonded debt to be \$ 1,121, a decrease of 4.9% from the prior year which results from a reduction in bonds payable and spreading the outstanding debt over a 2.8% increase in County population.

The County's net bonded debt is 1.0% of assessed valuation, well below the 8.0% of assessed valuation legal debt limit of \$9.2 billion, authorized by N.C. General Statute Chapter 159. See Exhibit 5.

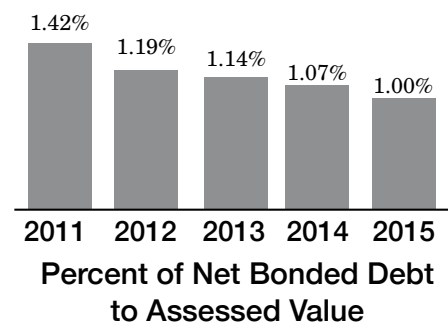
The County's strong financial management continues to insure a strong financial position and enabled the County to maintain its Triple A bond rating for its general obligation debt. This is the highest rating given by Standard & Poor's Corporation, Moody's Investors Service and Fitch Ratings. The City of Charlotte has also maintained Triple A ratings from these agencies. This is a distinction for only a few communities in the nation. As a result of this rating, the County has obtained some of the lowest interest rates available to governmental agencies when issuing bonds, certificates of participation and limited obligation bonds.

Note 7 to the Basic Financial Statements explains in detail the debt activities for the year ended June 30, 2015.

**EXHIBIT 4:**



**EXHIBIT 5:**



## OTHER POSTEMPLOYMENT BENEFITS

The County reports the annual cost and future obligations and commitments for other post employment benefits (OPEB) in accordance with the requirements of Governmental Accounting Standards Board Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB). This standard requires governments to account for and report any OPEB liability (asset) in the entity-wide financial statements. The County has had an actuarial study to determine the OPEB liability and determine required plan contributions to meet this obligation for both fiscal year 2015 and 2014. The County funded \$17.1 million of the annual required contribution of \$46.8 million at June 30, 2015, resulting in a decrease in the OPEB liability in the entity-wide statements.

## OUTLOOK FOR THE NEXT YEAR

The Board approved a \$1.5 billion annual budget for fiscal year 2016. The adopted budget reflects a 2.8% increase (\$42.3 million) over the fiscal year 2015. Some of this increase in the 2016 fiscal year budget is the result of increases for social service programs, providing assistance to veterans, and continued support for education. The 2016 tax rate is 81.57 cents per \$100 of assessed valuation, no change from FY2015.

The Fiscal Year 2016 Adopted Budget builds on the momentum from the prior fiscal year. The County's fiscal discipline strategy has paid great dividends to this community. Major funding decisions based on the County's Strategic Themes for fiscal year 2016 are:

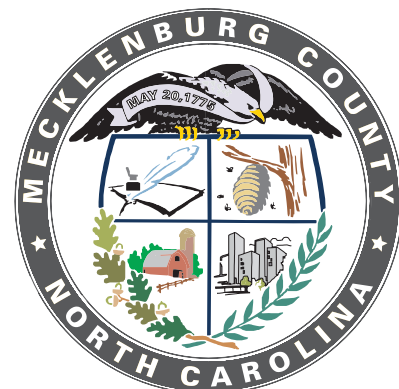
- Health and Human Services are the most critical and fundamental services provided by Mecklenburg County government. These programs serve as the safety net for our community. The adopted budget includes investments in several health and human service agencies. The FY2016 budget includes the addition of new positions to support the increase in service demand relative to caseload management and foster care placement. Funding to support programs for seniors and children exposed to violence is included in the budget. Consistent with the prior fiscal year, the adopted budget includes investments in services to combat homelessness and to support the growing needs of veterans in this community.
- Investing in County assets: Mecklenburg County's most valuable asset is its employees. The FY2016 adopted budget includes funding for a pay-for-performance merit increase for County employees. In addition to investments in human capital, the adopted budget includes increased funding to maintain two new facilities

for emergency management services and the land use environmental services as well as to improve maintenance at other County facilities. Also, the adopted budget includes investments in our best in class park and recreation facilities.

- Arts, Literacy, and Education: The County's cultural institutions are some of the finest in the country. Research shows that our cultural sector has an annual economic impact to this community of \$203 million a year. Beyond that, arts and culture are an important component of our quality of life. The FY2016 adopted budget includes funding for arts programming in our parks and libraries, with an emphasis on those neighborhoods that have low participation in arts and cultural activities. Public libraries play a critical role in workforce development and improving literacy. Libraries are also an important partner to Charlotte-Mecklenburg Schools. The adopted budget includes one-time funding to replace circulation materials and continued funding for the implementation of the library's digital strategy. Education and literacy are priority focus areas for this community. County funding for education has consistently comprised in excess of 40% of the County budget and Fiscal Year 2016 is no different. The adopted budget includes an increase to Charlotte-Mecklenburg Schools' operating budget of \$13.9 million, an increase of 4% over the current year appropriation.
- Funding for Central Piedmont Community College increased by \$ 2.3 million or 7.1% including one-time funding.

## REQUEST FOR INFORMATION

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should contact the Director of Financial Services, Mecklenburg County, P.O. Box 34486, Charlotte, North Carolina 28234.



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MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF NET POSITION (DEFICIT)  
JUNE 30, 2015

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Public Library of Charlotte and Mecklenburg County	Mecklenburg Emergency Medical Services Agency	Mecklenburg County Alcoholic Beverage Control Board
<b>ASSETS</b>						
Cash and investments	\$ 910,230,509	\$ 37,832,552	\$ 948,063,061	\$ 7,817,669	\$ 9,710,179	\$ 15,322,527
Receivables, net	135,937,797	589,338	136,527,135	388,486	6,595,537	5,601
Due from other governmental agencies	-	-	-	250,032	-	-
Advances to other governmental agencies	179,139	-	179,139	-	-	-
Prepaid expenses	-	-	-	404,136	60,113	312,462
Inventories	-	-	-	-	-	10,410,210
Restricted assets - cash and investments	-	1,382,763	1,382,763	5,940,578	-	-
Net pension asset	27,325,898	349,501	27,675,399	1,472,596	3,038,728	477,635
Capital assets						
Land	467,642,189	31,136,202	498,778,391	13,523,473	-	6,862,198
Construction in progress	104,198,710	9,178,537	113,377,247	222,004	-	1,285,047
Other capital assets, net of accumulated depreciation	439,729,889	18,592,614	458,322,503	66,784,054	8,661,365	22,490,113
TOTAL ASSETS	<u>2,085,244,131</u>	<u>99,061,507</u>	<u>2,184,305,638</u>	<u>96,803,028</u>	<u>28,065,922</u>	<u>57,165,793</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>68,225,678</u>	<u>316,735</u>	<u>68,542,413</u>	<u>1,567,533</u>	<u>1,899,997</u>	<u>490,416</u>
<b>LIABILITIES</b>						
Accounts payable and other accrued liabilities	162,234,093	762,100	162,996,193	712,351	5,790,441	12,503,785
Accrued interest payable	15,808,182	232,200	16,040,382	-	-	-
Liabilities paid from restricted assets	-	-	-	897,148	-	-
Long-term liabilities						
Due within one year	194,519,356	898,017	195,417,373	1,372,690	1,937,594	-
Due in more than one year	1,684,406,618	19,463,609	1,703,870,227	23,962,439	24,107,355	-
TOTAL LIABILITIES	<u>2,056,968,249</u>	<u>21,355,926</u>	<u>2,078,324,175</u>	<u>26,944,628</u>	<u>31,835,390</u>	<u>12,503,785</u>
DEFERRED INFLOWS OF RESOURCES	<u>71,356,196</u>	<u>851,819</u>	<u>72,208,015</u>	<u>3,589,078</u>	<u>7,720,236</u>	<u>1,164,115</u>
<b>NET POSITION</b>						
Net investment in capital assets	719,935,112	49,138,974	769,074,086	80,122,109	8,661,365	30,637,358
Restricted						
Stabilization by State Statute	184,356,665	-	184,356,665	1,398,440	7,352,032	-
Land Use and Environmental Services	3,342,208	-	3,342,208	-	-	-
Capital Projects	16,274,829	1,150,480	17,425,309	-	-	-
Grants	-	-	-	281,435	-	-
Facility Enhancements	-	-	-	1,531,605	-	-
By Law for Specific Purposes	-	-	-	6,002,048	-	3,788,006
Unrestricted (deficit)	(898,763,450)	26,881,043	(871,882,407)	(21,498,782)	(25,603,104)	9,562,945
TOTAL NET POSITION (DEFICIT)	<u>\$ 25,145,364</u>	<u>\$ 77,170,497</u>	<u>\$ 102,315,861</u>	<u>\$ 67,836,855</u>	<u>\$ (9,589,707)</u>	<u>\$ 43,988,309</u>

The accompanying notes are an integral part of this statement

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MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions / Programs	Expenses	Program Revenues			Net (Expense) / Revenue and Changes in Net Position					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activities	Total	Public Library of Charlotte and Mecklenburg County	Mecklenburg Emergency Medical Services Agency	Mecklenburg County Alcoholic Beverage Control Board
<b>PRIMARY GOVERNMENT</b>										
Governmental Activities										
Customer Satisfaction and Management Services	\$ 17,064,982	\$ 3,216	\$ -	\$ -	\$ (17,061,766)	\$ -	\$ (17,061,766)	\$ -	\$ -	\$ -
Administrative Services	110,753,603	2,698,449	1,826,228	-	(106,228,926)	-	(106,228,926)	-	-	-
Financial Services	30,607,463	193,675	-	-	(30,413,788)	-	(30,413,788)	-	-	-
Land Use and Environmental Services	48,084,996	60,995,957	3,804,534	-	16,715,495	-	16,715,495	-	-	-
Community Services	69,097,109	6,043,086	2,086,984	3,769,889	(57,197,150)	-	(57,197,150)	-	-	-
Detention and Court Support Services	150,145,826	21,971,954	10,373,227	-	(117,800,645)	-	(117,800,645)	-	-	-
Health and Human Services	261,478,205	6,960,433	141,277,682	-	(113,240,090)	-	(113,240,090)	-	-	-
Business Partners	649,587,004	3,762,413	11,557,186	-	(634,267,405)	-	(634,267,405)	-	-	-
Interest on long-term debt										
General purpose	18,640,145	-	-	-	(18,640,145)	-	(18,640,145)	-	-	-
Public schools	42,241,855	-	-	-	(42,241,855)	-	(42,241,855)	-	-	-
Total Governmental Activities	1,397,701,188	102,629,183	170,925,841	3,769,889	(1,120,376,275)	-	(1,120,376,275)	-	-	-
Business-type Activities										
Solid Waste	14,748,600	14,001,067	113,909	31,585	-	(602,039)	(602,039)	-	-	-
MeckLink	(3,316,258)	-	2,213,024	-	-	5,529,282	5,529,282	-	-	-
Total Business-type Activities	11,432,342	14,001,067	2,326,933	31,585	-	4,927,243	4,927,243	-	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 1,409,133,530</b>	<b>\$ 116,630,250</b>	<b>\$ 173,252,774</b>	<b>\$ 3,801,474</b>	<b>(1,120,376,275)</b>	<b>4,927,243</b>	<b>(1,115,449,032)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COMPONENT UNITS</b>										
Public Library of Charlotte and Mecklenburg County	\$ 43,626,249	\$ 2,945,028	\$ 1,040,378	\$ -	-	-	-	(39,640,843)	-	-
Mecklenburg Emergency Medical Services Agency	52,192,044	37,919,939	-	-	-	-	-	-	(14,272,105)	-
Mecklenburg County Alcoholic Beverage Control Board	95,136,837	98,717,314	-	-	-	-	-	-	-	3,580,477
<b>TOTAL COMPONENT UNITS</b>	<b>\$ 190,955,130</b>	<b>\$ 139,582,281</b>	<b>\$ 1,040,378</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39,640,843)</b>	<b>(14,272,105)</b>	<b>3,580,477</b>
<b>General Revenues</b>										
Property taxes, levied for general purposes					881,138,633	-	881,138,633	-	-	-
Property taxes, levied for Law Enforcement Service District					13,655,465	-	13,655,465	-	-	-
Property taxes, levied for Fire Service Districts					4,027,318	-	4,027,318	-	-	-
Sales taxes					249,763,851	-	249,763,851	-	-	-
Other taxes					13,671,359	-	13,671,359	-	-	-
Investment earnings					5,327,929	197,320	5,525,249	193,416	708	40,550
Miscellaneous					-	1,649,897	1,649,897	1,516,466	432,320	84,073
Transfers					12,980,816	(12,980,816)	-	-	-	-
Payment from primary government										
Library					-	-	-	35,231,418	-	-
Emergency Medical Services					-	-	-	-	12,430,000	-
Total General Revenues					1,180,565,371	(11,133,599)	1,169,431,772	36,941,300	12,863,028	124,623
Change in Net Position					60,189,096	(6,206,356)	53,982,740	(2,699,543)	(1,409,077)	3,705,100
Net Position (Deficit), beginning of year					(8,224,287)	83,773,330	75,549,043	72,040,170	(3,610,908)	40,847,732
Restatement					(26,819,445)	(396,477)	(27,215,922)	(1,503,772)	(4,569,722)	(564,523)
Net Position (Deficit), beginning, restated					(35,043,732)	83,376,853	48,333,121	70,536,398	(8,180,630)	40,283,209
Net Position (Deficit), end of year					\$ 25,145,364	\$ 77,170,497	\$ 102,315,861	\$ 67,836,855	\$ (9,589,707)	\$ 43,988,309

The accompanying notes are an integral part of this statement.

A - 3  
MECKLENBURG COUNTY, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 551,583,752	\$ 166,039,520	\$ 192,607,237	\$ 910,230,509
Interest receivable	1,159,163	404,980	64,583	1,628,726
Accounts receivable	72,847,630	15,189,386	17,699,746	105,736,762
Taxes receivable	40,788,284	-	801,435	41,589,719
Less allowance for uncollectible taxes	(12,832,000)	-	(185,410)	(13,017,410)
Advances to other governmental agencies	118,330	-	60,809	179,139
<b>TOTAL ASSETS</b>	<b>\$ 653,665,159</b>	<b>\$ 181,633,886</b>	<b>\$ 211,048,400</b>	<b>\$ 1,046,347,445</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 139,656,109	\$ 50,000	\$ 20,189,658	\$ 159,895,767
Unearned grant revenues	2,338,326	-	-	2,338,326
<b>Total Liabilities</b>	<b>141,994,435</b>	<b>50,000</b>	<b>20,189,658</b>	<b>162,234,093</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>37,519,865</b>	<b>-</b>	<b>616,025</b>	<b>38,135,890</b>
<b>Fund Balances</b>				
<b>Restricted:</b>				
Stabilization by State Statute	97,531,243	15,596,302	71,229,120	184,356,665
Land Use and Environmental Services	-	-	3,342,208	3,342,208
Capital Projects	-	-	31,179,205	31,179,205
<b>Committed:</b>				
Land Use and Environmental Services	17,676,362	-	28,462,499	46,138,861
Public Safety	-	-	1,582,360	1,582,360
Fire Protection	-	-	1,581,228	1,581,228
Capital Projects	-	-	77,049,076	77,049,076
Detention and Court Support Services	872,201	-	-	872,201
Administrative Services	390,000	-	-	390,000
Health and Human Services	1,212,344	-	-	1,212,344
Debt Service	-	165,987,584	-	165,987,584
<b>Unassigned:</b>	<b>356,468,709</b>	<b>-</b>	<b>(24,182,979)</b>	<b>332,285,730</b>
<b>Total Fund Balances</b>	<b>474,150,859</b>	<b>181,583,886</b>	<b>190,242,717</b>	<b>845,977,462</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 653,665,159</b>	<b>\$ 181,633,886</b>	<b>\$ 211,048,400</b>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				1,011,570,788
Net pension asset				27,325,898
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position				18,138,445
Certain bond expenditures are capitalized for future amortization over the life of the bonds				45,219,396
Other long-term assets are not available for current year expenditures and, therefore, are deferred in the funds.				28,572,309
Pension related deferrals				(56,924,778)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.				(1,894,734,156)
<b>Net deficit of governmental activities</b>				<b>\$ 25,145,364</b>

The accompanying notes are an integral part of this statement.



A - 4  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 837,095,690	\$ 278,004,825	\$ -	\$ 1,115,100,515
Law Enforcement Service District Taxes	-	-	13,374,744	13,374,744
Transit One-Half Cent Sales Tax	-	-	43,903,754	43,903,754
Fire Service Districts Property Taxes	-	-	4,027,318	4,027,318
Licenses and permits	25,038,366	-	-	25,038,366
Intergovernmental	155,551,392	12,414,606	3,390,868	171,356,866
Charges for services	54,329,163	-	17,643,410	71,972,573
Interest earned on investments	4,126,642	1,022,398	178,889	5,327,929
Administrative charges	2,553,261	-	-	2,553,261
Other	11,181,710	1,841,263	3,440,826	16,463,799
Total Revenues	<u>1,089,876,224</u>	<u>293,283,092</u>	<u>85,959,809</u>	<u>1,469,119,125</u>
<b>EXPENDITURES</b>				
Current				
Customer Satisfaction and Management	17,273,000	-	-	17,273,000
Administrative Services	99,644,157	-	-	99,644,157
Financial Services	15,403,577	-	-	15,403,577
Land Use and Environmental Services	43,171,793	-	9,867,271	53,039,064
Community Services	65,704,856	-	-	65,704,856
Detention and Court Support Services	140,286,079	-	-	140,286,079
Health and Human Services	265,275,622	-	-	265,275,622
Business Partners	447,030,556	-	43,903,754	490,934,310
Public Safety	-	-	17,387,945	17,387,945
Debt Service				
Principal payments	-	157,604,040	243,416	157,847,456
Interest and fiscal charges	-	62,925,125	19,100	62,944,225
Capital Outlay	-	-	191,778,251	191,778,251
Total Expenditures	<u>1,093,789,640</u>	<u>220,529,165</u>	<u>263,199,737</u>	<u>1,577,518,542</u>
EXCESS (DEFICIENCY) OF REVENUES OVER / (UNDER) EXPENDITURES	<u>(3,913,416)</u>	<u>72,753,927</u>	<u>(177,239,928)</u>	<u>(108,399,417)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bond proceeds	-	120,025,000	-	120,025,000
Premium on financing	-	22,897,449	11,394,700	34,292,149
Payment to refunding escrow agent	-	(141,959,892)	-	(141,959,892)
Sale of bonds	-	-	100,000,000	100,000,000
Gain on sale of capital assets	-	-	600,452	600,452
Transfers in	13,373,850	-	102,845,590	116,219,440
Transfers out	(53,945,590)	(48,900,000)	(393,034)	(103,238,624)
Total Other Financing Sources (Uses)	<u>(40,571,740)</u>	<u>(47,937,443)</u>	<u>214,447,708</u>	<u>125,938,525</u>
NET CHANGE IN FUND BALANCES	(44,485,156)	24,816,484	37,207,780	17,539,108
FUND BALANCES - BEGINNING OF YEAR	518,636,015	156,767,402	153,034,937	828,438,354
FUND BALANCES - END OF YEAR	<u>\$ 474,150,859</u>	<u>\$ 181,583,886</u>	<u>\$ 190,242,717</u>	<u>\$ 845,977,462</u>

The accompanying notes are an integral part of this statement.

A - 5  
MECKLENBURG COUNTY, NORTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds	\$ 17,539,108
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is not included as the assets have been capitalized.	54,138,148
Depreciation expense is reported in the Statement of Activities, but not in the fund statements.	(26,390,707)
Loss on disposal of assets and adjustment to accumulated depreciation is reported in the Statement of Activities, but not in the fund statements.	(469,378)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	18,138,445
Bond, Certificate of Participation and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position, therefore, these proceeds do not appear in the Statement of Activities.	(220,025,000)
Accrued interest payable due and payable in the current period, does not require current resources to pay and are therefore not reported in the fund statements.	2,062,225
Bond premiums and deferred charges, respectively, for the governmental funds are deferred and amortized in the Statement of Activities	(22,211,695)
Repayments of bond and capital lease principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position, so the expenses do not appear in the Statement of Activities.	290,362,155
Some revenues reported in the Statement of Activities do not represent the current financial resources and therefore are not reported as revenue in the governmental funds.	(21,787,470)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(2,779,435)
Other long-term liabilities are reported in the Statement of Net Position, but not in the fund statements.	<u>(28,387,300)</u>
Change in net position of governmental activities	<u><u>\$ 60,189,096</u></u>

The accompanying notes are an integral part of this statement.

A - 6  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance from
	Original	Final	Amounts	Final Budget - Positive / (Negative)
REVENUES				
Taxes				
General property - current	\$ 711,904,972	\$ 711,904,972	\$ 715,499,884	\$ 3,594,912
General property - prior	11,826,000	11,826,000	(47,019,311)	(58,845,311)
Interest on delinquent taxes	3,125,000	3,125,000	3,475,651	350,651
Sales	146,900,000	146,900,000	159,105,872	12,205,872
Room occupancy	1,000,000	1,000,000	1,136,217	136,217
Vehicle rental	3,000,000	3,000,000	3,739,263	739,263
Other	670,000	670,000	1,158,114	488,114
Total Taxes	<u>878,425,972</u>	<u>878,425,972</u>	<u>837,095,690</u>	<u>(41,330,282)</u>
Licenses and permits				
Business licenses	250,000	250,000	219,214	(30,786)
Inspection permits	21,924,742	22,216,784	24,655,555	2,438,771
Marriage licenses	140,010	140,010	163,597	23,587
Total Licenses and Permits	<u>22,314,752</u>	<u>22,606,794</u>	<u>25,038,366</u>	<u>2,431,572</u>
Intergovernmental				
Federal	106,745,548	116,142,202	117,979,271	1,837,069
State	25,857,409	30,516,689	31,248,110	731,421
Local	5,493,398	5,493,398	6,324,011	830,613
Total Intergovernmental	<u>138,096,355</u>	<u>152,152,289</u>	<u>155,551,392</u>	<u>3,399,103</u>
Charges for services				
Customer Satisfaction and Management	-	3,216	3,216	-
Administrative Services	-	117,621	279,816	162,195
Financial Services	1,409,818	1,410,283	1,679,401	269,118
Land Use and Environmental Services	19,645,495	19,972,681	21,212,056	1,239,375
Community Services	2,135,549	2,363,715	2,510,572	146,857
Detention and Court Support Services	30,422,906	30,454,683	21,531,794	(8,922,889)
Health and Human Services	4,749,637	5,152,891	5,467,909	315,018
Business Partners	2,300,000	2,300,000	1,644,399	(655,601)
Total Charges for Services	<u>60,663,405</u>	<u>61,775,090</u>	<u>54,329,163</u>	<u>(7,445,927)</u>
Interest earned on investments	2,800,000	2,800,000	4,126,642	1,326,642
Administrative Charges	2,302,597	2,302,597	2,553,261	250,664
Other				
Rental	2,474,362	2,539,362	2,957,674	418,312
Sale of properties	1,042,915	1,055,915	1,289,605	233,690
Miscellaneous	7,336,673	8,862,305	6,934,431	(1,927,874)
Total Other	<u>10,853,950</u>	<u>12,457,582</u>	<u>11,181,710</u>	<u>(1,275,872)</u>
Total Revenues	<u>1,115,457,031</u>	<u>1,132,520,324</u>	<u>1,089,876,224</u>	<u>(42,644,100)</u>

(Continued)

The accompanying notes are an integral part of this statement.

A - 6  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015  
(CONTINUED)

	Budgeted Amounts		Actual	Variance from
	Original	Final	Amounts	Final Budget -
EXPENDITURES				Positive / (Negative)
Current				
Customer Satisfaction and Management				
County Commissioners	\$ 419,501	\$ 427,376	\$ 419,721	\$ 7,655
Economic Development Office	13,086,696	13,088,933	8,817,940	4,270,993
Manager's Office	10,367,650	10,626,185	5,784,751	4,841,434
Public Service and Information	2,315,956	2,356,296	2,250,588	105,708
Total Customer Satisfaction and Management	26,189,803	26,498,790	17,273,000	9,225,790
Administrative Services				
Internal Audit	1,236,395	1,255,837	1,183,031	72,806
Business Support Agency	53,816,095	54,390,777	51,825,205	2,565,572
Human Resources	4,936,857	5,228,901	5,228,901	-
Information Services and Technology	13,972	13,972	-	13,972
Nondepartmental	74,185,730	43,742,967	41,407,020	2,335,947
Total Administrative Services	134,189,049	104,632,454	99,644,157	4,988,297
Financial Services				
Finance	10,293,633	10,419,399	9,372,344	1,047,055
Debt Service				
Installment Financing	2,886,545	2,886,545	427,778	2,458,767
Pay As You Go Funding	34,687,590	-	-	-
Payment to City of Charlotte	288,274	288,274	288,274	-
Tax Collection	6,637,788	6,678,333	5,315,181	1,363,152
Total Financial Services	54,793,830	20,272,551	15,403,577	4,868,974
Land Use and Environmental Services				
County Assessor Office	14,747,708	15,100,871	13,742,655	1,358,216
Geospatial Information	30,772	30,772	5,552	25,220
Code Administration	25,894,690	26,580,555	23,637,103	2,943,452
Property Assessment and Land Records	149,350	149,350	-	149,350
Air Quality	3,326,132	4,375,592	1,078,865	3,296,727
Environmental Health	139,140	139,140	85,342	53,798
Water and Land Resource	2,191,681	2,205,382	1,741,183	464,199
Register of Deeds	3,285,388	3,321,169	2,881,093	440,076
Total Land Use and Environmental Services	49,764,861	51,902,831	43,171,793	8,731,038
Community Services				
Public Libraries	29,258,277	29,721,027	29,371,343	349,684
Park and Recreation	34,072,880	34,767,168	32,402,826	2,364,342
Elections	3,939,143	3,952,546	3,930,687	21,859
Total Community Services	67,270,300	68,440,741	65,704,856	2,735,885
Detention and Court Support Services				
Medical Examiner	1,749,461	1,769,399	1,671,311	98,088
Criminal Justice Services	10,346,592	12,526,485	10,640,959	1,885,526
Child Support Enforcement	8,685,704	9,209,248	8,975,631	233,617
Sheriff and Jail	119,503,771	121,465,706	118,998,178	2,467,528
Total Detention and Court Support Services	140,285,528	144,970,838	140,286,079	4,684,759

(Continued)

The accompanying notes are an integral part of this statement.

A - 6  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2015  
 (CONCLUDED)

	Budgeted Amounts		Actual	Variance from
	Original	Final	Amounts	Final Budget - Positive / (Negative)
Health and Human Services				
Public Health				
Public Health Services	\$ 51,985,840	\$ 53,895,496	\$ 49,108,570	\$ 4,786,926
Public Health - CHS Contract	2,761,419	2,761,419	-	2,761,419
Community Health	5,565,942	10,571,196	6,132,468	4,438,728
Mental Health				
Infant and Toddler Preschool Services	17	17	-	17
Child and Adolescent Services	30,733	30,733	-	30,733
Adult Services	500	500	-	500
Centralized Services	15	15	-	15
Grants and other	1,723,472	1,723,472	9,384	1,714,088
Social Services				
Administration and Support Services	11,222,666	12,175,620	11,183,878	991,742
Grants	17,683,887	15,079,582	14,799,878	279,704
Childcare Operations	42,314,125	46,397,153	46,239,577	157,576
Services for Adults	29,267,291	31,323,569	29,183,382	2,140,187
Economic Services	35,836,449	33,793,225	31,965,511	1,827,714
Youth and Family Services	39,342,409	41,628,048	40,024,806	1,603,242
Community Support Services	13,312,132	15,716,591	11,110,344	4,606,247
MeckLink	100,511	666,456	293,134	373,322
Provider Services Organization	17,529,278	18,312,380	16,883,722	1,428,658
Behavioral Health	8,846,650	8,876,076	8,340,968	535,108
Total Health and Human Services	<u>277,523,336</u>	<u>292,951,548</u>	<u>265,275,622</u>	<u>27,675,926</u>
Business Partners				
Emergency Medical Services	12,430,000	12,430,000	12,430,000	-
City - County Departments	3,943,118	3,943,118	3,936,257	6,861
Board of Education:				
Current	376,036,594	388,236,594	388,236,594	-
Capital Outlay	4,960,000	4,960,000	4,960,000	-
Central Piedmont Community College				
Current	32,284,482	32,284,482	32,284,482	-
Hospitals	2,027,937	2,027,937	1,034,689	993,248
Historic Landmarks Commission	246,280	260,186	255,115	5,071
Community Service Grants	3,893,419	3,893,419	3,893,419	-
Total Business Partners	<u>435,821,830</u>	<u>448,035,736</u>	<u>447,030,556</u>	<u>1,005,180</u>
Total Expenditures	<u>1,185,838,537</u>	<u>1,157,705,489</u>	<u>1,093,789,640</u>	<u>63,915,849</u>
EXCESS (DEFICIENCY) OF REVENUES OVER / (UNDER) EXPENDITURES	<u>(70,381,506)</u>	<u>(25,185,165)</u>	<u>(3,913,416)</u>	<u>21,271,749</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	393,034	13,380,506	13,373,850	(6,656)
Transfers out	(2,326,338)	(55,013,928)	(53,945,590)	1,068,338
Appropriated fund balance	72,314,810	66,818,587	-	(66,818,587)
Total Other Financing Sources (Uses)	<u>70,381,506</u>	<u>25,185,165</u>	<u>(40,571,740)</u>	<u>(65,756,905)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(44,485,156)</u>	<u>\$ (44,485,156)</u>
FUND BALANCE - BEGINNING OF YEAR			518,636,015	
FUND BALANCE - END OF YEAR			<u>\$ 474,150,859</u>	

The accompanying notes are an integral part of this statement



A - 7  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	Business Type Activities Solid Waste Enterprise Fund
<b>ASSETS</b>	
Current Assets	
Cash and investments	\$ 37,832,552
Interest receivable	64,735
Accounts receivable	524,603
Total Current Assets	<u>38,421,890</u>
Noncurrent Assets	
Restricted cash and investments	1,382,763
Net pension asset	349,501
Capital assets	
Land	31,136,202
Construction in progress	9,178,537
Land improvements	10,514,617
Buildings	14,380,072
Vehicles and heavy equipment	5,126,468
Furniture, machinery and equipment	11,547,182
Total Capital Assets	81,883,078
Less accumulated depreciation	(22,975,725)
Total Capital Assets, net of accumulated depreciation	58,907,353
Total Noncurrent Assets	60,639,617
TOTAL ASSETS	<u>99,061,507</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Contribution to pension plan	<u>316,735</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued liabilities	994,300
Compensated absences	84,715
Bonds payable, net of unamortized premium	813,302
Total Current Liabilities	<u>1,892,317</u>
Long-term Liabilities	
Compensated absences	444,067
Landfill development and postclosure care costs	8,913,984
Bonds payable, net of unamortized premium	10,105,558
Total Long-term Liabilities	19,463,609
TOTAL LIABILITIES	<u>21,355,926</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Pension deferrals	<u>851,819</u>
<b>NET POSITION</b>	
Net investment in capital assets	49,138,974
Restricted net position	
Restricted for capital projects	1,150,480
Unrestricted	26,881,043
TOTAL NET POSITION	<u>\$ 77,170,497</u>

The accompanying notes are an integral part of this statement.

A - 8  
MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Business Type Activities		
	Solid Waste Enterprise Fund	MeckLink Fund	Total
OPERATING REVENUES			
Charges for services:			
Residential Solid Waste fees	\$ 6,249,007	\$ -	\$ 6,249,007
Recycling sales	7,752,060	-	7,752,060
Intergovernmental:			
Federal	-	2,213,024	2,213,024
Other	1,878,501	(1,241)	1,877,260
Total Operation Revenues	<u>15,879,568</u>	<u>2,211,783</u>	<u>18,091,351</u>
OPERATING EXPENSES			
Personnel services and employee benefits	4,754,708	-	4,754,708
Utilities	181,183	3,895	185,078
Supplies	1,309,562	45,720	1,355,282
Depreciation	2,100,534	-	2,100,534
Maintenance and repairs	860,276	98,836	959,112
Rental and occupancy charges	859,845	103,573	963,418
Contractual services	4,508,506	-	4,508,506
Claims	-	(4,046,429)	(4,046,429)
Other	-	478,147	478,147
Final development and postclosure costs	40,088	-	40,088
Total Operation Expenses	<u>14,614,702</u>	<u>(3,316,258)</u>	<u>11,298,444</u>
OPERATING INCOME / (LOSS)	<u>1,264,866</u>	<u>5,528,041</u>	<u>6,792,907</u>
NON-OPERATING REVENUES / (EXPENSES)			
Grant revenue	113,909	-	113,909
Interest income	194,304	3,016	197,320
Interest expense	(133,898)	-	(133,898)
Gain / (Loss) on disposal of capital assets	115,337	(342,700)	(227,363)
Total Non-operating Revenues / (Expenses)	<u>289,652</u>	<u>(339,684)</u>	<u>(50,032)</u>
INCOME / (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>1,554,518</u>	<u>5,188,357</u>	<u>6,742,875</u>
Capital contributions	31,585	-	31,585
Transfers to other funds	-	(12,980,816)	(12,980,816)
CHANGE IN NET POSITION	1,586,103	(7,792,459)	(6,206,356)
NET POSITION - BEGINNING OF YEAR	75,980,871	7,792,459	83,773,330
RESTATEMENT	(396,477)	-	(396,477)
NET POSITION, BEGINNING, RESTATED	<u>75,584,394</u>	<u>7,792,459</u>	<u>83,376,853</u>
NET POSITION - END OF YEAR	<u>\$ 77,170,497</u>	<u>\$ -</u>	<u>\$ 77,170,497</u>

The accompanying notes are an integral part of this statement.

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MECKLENBURG COUNTY, NORTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Business		
	Type Activities		Total
	Solid Waste Enterprise Fund	MeckLink Fund	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from users	\$ 16,226,064	\$ 7,319,497	\$ 23,545,561
Cash paid to suppliers	(7,921,185)	(3,296,251)	(11,217,436)
Cash paid to employees	(4,700,975)	(8,823)	(4,709,798)
Net Cash Provided By Operating Activities	3,603,904	4,014,423	7,618,327
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES			
Grant revenue	113,909	-	113,909
Transfers to other funds	-	(12,980,816)	(12,980,816)
Net Cash Provided / (Used) By Non-Capital And Related Financing Activities	113,909	(12,980,816)	(12,866,907)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments - bonds	(720,000)	-	(720,000)
Interest paid	(202,200)	-	(202,200)
Acquisition of capital assets	(1,270,122)	-	(1,270,122)
Proceeds from sale of assets	223,944	-	223,944
Capital contributions	31,589	-	31,589
Net Cash (Used) By Capital And Related Financing Activities	(1,936,789)	-	(1,936,789)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	183,529	3,016	186,545
Net Cash Provided By Investing Activities	183,529	3,016	186,545
INCREASE / (DECREASE) IN CASH AND INVESTMENTS	1,964,553	(8,963,377)	(6,998,824)
CASH AND INVESTMENTS - BEGINNING OF YEAR	37,250,762	8,963,377	46,214,139
CASH AND INVESTMENTS - END OF YEAR	\$ 39,215,315	\$ -	\$ 39,215,315
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ 1,264,866	\$ 5,528,041	\$ 6,792,907
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,100,534	-	2,100,534
Pension expense	(283,246)	-	(283,246)
Change in accounts receivable	346,496	2,687	349,183
Change in risk reserve	-	4,603,295	4,603,295
Change in prepaid expense	-	501,731	501,731
Change in payroll accrual	219,999	(8,823)	211,176
Change in accounts payable	(201,813)	(1,368,342)	(1,570,155)
Change in compensated absences	44,628	-	44,628
Change in landfill activities	40,088	-	40,088
Change in claims payable	-	(5,244,166)	(5,244,166)
Change in deferred outflows of resources for pensions	72,352	-	72,352
Total Adjustments	2,339,038	(1,513,618)	825,420
Net Cash Provided by Operating Activities	\$ 3,603,904	\$ 4,014,423	\$ 7,618,327

The accompanying notes are an integral part of this statement.

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2015

		Post-Employment Healthcare Benefit Trust Fund	Agency Funds
	ASSETS		
Cash investments		\$ -	\$ 71,727,904
Restricted for:			
State Other Postemployment Benefit Trust:			
Cash and Equivalents		234	-
Short-term OPEB Fund		22,233,640	-
Long-term OPEB Fund		8,708,194	-
OPEB Equity Funds		55,876,495	-
Receivables:			
Interest receivable		9,512	-
Accounts receivable		-	4,943
Due from other governmental agencies		-	6,638,852
TOTAL ASSETS		<u>\$ 86,828,075</u>	<u>\$ 78,371,699</u>
	LIABILITIES AND NET POSITION		
Accounts payable and accrued liabilities		\$ -	\$ 55,871,424
Due to other governmental agencies		-	22,500,275
TOTAL LIABILITIES		<u>-</u>	<u>\$ 78,371,699</u>
NET POSITION HELD IN TRUST FOR OTHER POSTEMPLOYMENT BENEFITS		<u>\$ 86,828,075</u>	

The accompanying notes are an integral part of this statement.

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	Post-Employment Healthcare Benefit Trust Fund
ADDITIONS	
Employer Contributions	\$ 17,064,513
Investment income:	
Net appreciation in fair value of investment	1,750,087
Interest	2,095,241
Total Additions	<u>20,909,841</u>
DEDUCTIONS	
Management Fee	210,954
Claims Paid	9,064,512
Total Deductions	<u>9,275,466</u>
CHANGE IN NET POSITION	11,634,375
NET POSITION - BEGINNING OF YEAR	75,193,700
NET POSITION - END OF YEAR	<u>\$ 86,828,075</u>

The accompanying notes are an integral part of this statement



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

## 1. Summary of Significant Accounting Policies

### a. Reporting Entity

Mecklenburg County, North Carolina (the County) was created from a portion of Anson County on December 11, 1762. The County has a county manager form of government with a nine-member, elected Board of Commissioners comprising the governing body. The County provides the following services which are segregated into core services in the financial statements: Customer Satisfaction and Management, Administrative Services, Financial Services, Land Use and Environmental Services, Community Services, Detention and Court Support Services, Health and Human Services, and Business Partners. Individual departments included in these core services are shown on the Organization Chart in the Introduction Section. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present all the fund types and component units. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize they are legally separate from the County.

The Public Library of Charlotte and Mecklenburg County (Library) is a public library formed in 1902 by an act of the General Assembly of North Carolina. Ten of the eleven members of the Library Board of Trustees are appointed by the County and one is appointed by the Charlotte-Mecklenburg Board of Education. The County has budgetary approval over its annual allocation to the Library for current operating purposes. The Library is not empowered to issue long-term debt; therefore, capital assets of the Library are financed principally by general obligation bonds and certificates of participation issued at the option of the County. There is no obligation on the County to issue debt for the Library. The Library is presented as a governmental activity.

The Mecklenburg County Alcoholic Beverage Control Board (ABC Board) operates retail liquor stores and investigates violations of North Carolina Alcoholic Beverage Control laws. The ABC Board also provides financial support for various educational programs on the excessive use of alcoholic beverages and for rehabilitation of alcoholics. The ABC Board consists of five members appointed by the Board of County Commissioners and is required by State statute to distribute a portion of its surpluses to the General Fund of the County. The ABC Board is presented as a business-type activity.

The Mecklenburg Emergency Medical Services Agency (Medic Agency) was created by a joint agreement dated September 11, 1996, between Mecklenburg County and the Charlotte-Mecklenburg Hospital Authority pursuant to North Carolina General Statute 160A-462 as a separate unit of government for the purpose of providing emergency medical services in the County. The Medic Agency began operations on October 8, 1996. The Medic Agency is governed by a seven-member Board of Commissioners appointed by the County Board of Commissioners, three of whom are recommended by Carolinas Healthcare System, three by Novant Healthcare, and one by the County. The County has budgetary approval over the annual allocation to the Medic Agency for current operating purposes. The Medic Agency is presented as a governmental activity.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

Complete financial statements for the individual component units may be obtained at the following addresses:

Public Library of Charlotte and Mecklenburg County  
310 N. Tryon Street  
Charlotte, North Carolina 28202

Mecklenburg County Alcoholic Beverage Control Board  
3333 N. Tryon Street  
Charlotte, North Carolina 28206

Mecklenburg Emergency Medical Services Agency  
4525 Statesville Road  
Charlotte, North Carolina 28269

**b. Government-wide Financial Statements**

The Statement of Net Position (Deficit) and the Statement of Activities comprise the government-wide financial statements. These statements present information on all the non-fiduciary activities of the primary government and its discretely presented component units. For the most part the effect of interfund activity has been eliminated from the statements. The primary government consists of governmental activities, which are generally supported by taxes and intergovernmental revenues and business-type activities which charge for the services provided. Component units, which are legally separate entities for which the primary government is financially accountable, are also categorized as governmental or business-type activities and are reported separately on the government-wide financial statements.

The Statement of Net Position (Deficit) presents the difference between assets and liabilities at the end of the fiscal year, June 30, 2015. The difference, net position (deficit), is subdivided into three categories: net amounts invested in capital assets; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints on the use of the assets are imposed either externally by grantors, contributors, creditors, or laws or regulations of other governments, or by law through constitutional provisions or enabling legislation.

The Statement of Activities, which shows the change in net position, presents direct expenses offset by program revenues for each core service area. Program revenues include fees and charges to customers for specific services provided and grants and contributions restricted for use in specific operations of a core service area. Tax revenues, interest and other revenue items that benefit the entire primary government are considered general revenues.

**c. Financial Presentation, Measurement Focus and Basis of Accounting**

Separate financial statements are provided for governmental funds, the proprietary funds and the fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements because the funds are held by the County in a trust capacity only. The General Fund and the Debt Service Fund are the County's

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

major governmental funds. The Solid Waste Fund and the MeckLink Fund are the County's major enterprise funds.

The government-wide financial statements and the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned; expenses are recognized when a liability is incurred. Property taxes are recognized as revenues in the year in which they are levied. Grants and intergovernmental revenues are recognized as revenue when the eligibility requirements imposed by the grantor or other government agency have been met. Fees and charges of the proprietary funds are recognized as revenue when the services are provided.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as the amounts become susceptible to accrual by becoming measurable and available to finance the County's operations. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days; except for sales tax revenue which is considered to be available if collected within 90 days, of the end of the current fiscal year. When both restricted and unrestricted resources are available for use, it is the County's practice to use restricted resources first, then unrestricted resources as they are needed. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt and expenditures for compensated absences, which are recognized when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are typically two types of revenues. One type requires funds to be disbursed for a specific purpose or project before any amount will be reimbursed to the County; therefore, revenues are recognized as receivables based upon the expenditures recorded. The other type provides moneys that are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to meet prescribed compliance requirements. These resources are reflected at the time of receipt or earlier if the susceptible to accrual criteria are met. Other governmental revenue which are susceptible to accrual are sales taxes collected and held by the State at year-end on behalf of the County, and investment earnings. Licenses and permits, charges for services, and other revenues are recorded as revenues when received in cash, because they are generally not measurable until actually received.

The County reports the following major governmental funds:

**General Fund** – The General Fund is the primary operating fund of the County and accounts for all financial resources except those to be accounted for in another fund. The Sheriff's Special Revenue fund is a legally budgeted fund under North Carolina General Statutes; however, for financial statement presentation in accordance with GASB Statement Number 54 it is consolidated in the General Fund.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

The County reports the following major proprietary funds:

***Solid Waste Enterprise Fund*** – This fund accounts for activities related to recycling and landfill facilities and is self-supporting through the residential solid waste fee and recycling sales.

***Mecklink Enterprise Fund*** – This fund accounts for activities related to the delivery of services to individuals with mental illness, intellectual and developmental disabilities and substance abuse disorders and is primarily self-supporting through federal and state funds.

Additionally, the County reports the following funds:

i. Non-major governmental funds are:

***Special Revenue Funds*** – Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments or capital projects) that are legally restricted to expenditures for specified purposes.

***Capital Project Funds*** – Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the Proprietary Fund). The Capital Reserve fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement Number 54 it is included with the Capital Projects Funds.

ii. Fiduciary Funds:

***Post-Employment Healthcare Benefit Trust Fund*** – This fund accounts for the contributions, claims and administrative costs of providing healthcare benefits to County retirees who have met the requirements to receive the benefit upon retirement.

***Agency fiduciary funds*** – These funds account for assets held by the County as agent for:

- Individuals – employee flex spending, social service and jail clients
- Private organizations - medical and dental claim funds
- Other governmental units - collections due to municipalities, food and beverage tax and other collections due to the State of North Carolina. The funds are custodial in nature and do not involve measurement or operating results.

d. **Budgetary Control**

As required by the North Carolina Budget and Fiscal Control Act (N. C. G. S. 159), the County adopts, on a basis consistent with accounting principles generally accepted in the United States of America, an annual balanced budget ordinance for all funds except those authorized by project ordinance and the agency fiduciary funds. The budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balance is equal to appropriations. The appropriations in the various funds are budgeted at the line item level and most are controlled at the category level. The annual budget is prepared on the modified accrual basis of accounting as required by the statutes. Budget preparations begin with the Board of County Commissioners' annual strategic planning conference. Department budgets are prepared and combined into a county-wide budget between February and April. Public hearings are held in May and the

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

budget is adopted by vote of the County Commissioners prior to July 1, to comply with the North Carolina General Statutes. The County Manager or designee is authorized to transfer budgeted amounts within any fund. However, any revisions that alter the total budget of any fund must be approved by the Board of County Commissioners. Except for certain continuing grants, any remaining annual appropriations lapse at each fiscal year-end.

The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual presents the adopted and final budget and actual amounts for the General Fund. Capital lease amounts are approved by the Board of County Commissioners as needed and the amount budgeted for capital leases annually is the related debt service for the year.

Additionally, the Board of County Commissioners approves annual budgets for all the Special Revenue and Debt Service Funds. During the year, the Board of County Commissioners also approved amendments for these funds as follows:

	Original Budget	Amendments	Final Budget June 30, 2015
Special Revenue Funds	\$ 72,625,828	\$ 7,669,299	\$ 80,295,127
Debt Service Fund	290,744,796	142,497,449	433,242,245
	<u>\$ 363,370,624</u>	<u>\$ 150,166,748</u>	<u>\$ 513,537,372</u>

Amendments result from appropriating revenues received and new grants awarded after the original budgets were adopted.

The Capital Projects Funds are budgeted by project ordinance and the appropriations do not lapse at year end.

Appropriated budgets are adopted for all Library funds as required by the State. The Library's Board of Trustees approves their budget, and the Board of Trustees must also approve any changes in the budget. Expenditures may not legally exceed appropriations unless approved by the Board of Trustees.

The Medic Agency Board of Commissioners adopts an annual budget on the modified accrual basis of accounting as required by the State. Appropriations are budgeted at the category level and controlled at the category level. All budget amendments must be approved by the Medic Agency Board of Commissioners.

**e. Cash and Investments**

A cash and investments pool is maintained and used for all available funds except cash on hand of \$27,468 and funds held by others. A portion of the County's self-insurance funds in the amount of \$16,831,717 is held in one or more trusts administered by the City of Charlotte's Risk Management Division. Additionally, \$1,276,648 is held by the bank for the Debt Service Fund, \$232,283 is held by the bank for solid waste debt service on special obligation bonds, \$1,082,309 is held by a trustee for solid waste capital projects, \$35,019 is held by a trustee for technology projects, and proceeds of \$10,721,591 from certificates of participation are held by a trustee. Cash of \$86,818,563 is held by the North Carolina State Treasurer in the Other Post-Employment Benefits Investment Trust, an irrevocable trust fund.



MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

DEPOSITS

All County deposits are made in designated official depositories and are secured as required by North Carolina General Statute 159-31. The County may designate as an official depository, any bank, trust company, or savings and loan institution in North Carolina. A national bank located in another state may be designated as an official depository with written permission of the Local Government Commission, a Division of the State Treasurer's Office. The County may also establish time deposits in the form of NOW accounts, SuperNOW accounts, money market accounts, and certificates of deposit. Primary banking services for the County are provided through a contract, currently with Bank of America. At year-end, the cash balance of County deposits was \$134,379,684 and the bank balance was \$148,796,378. Included in these balances are two money market accounts in the amount of \$3,145,892 and \$122,356,805 and one certificate of deposit totaling \$93,850 with Branch Banking & Trust; two certificates of deposit totaling \$15,000,000 with Mechanics and Farmers Bancorp; and two certificates of deposit totaling \$107,160 with CommunityOne Bancorp.

All of the County's deposits are either insured or collateralized using the Pooling Method. Under the Pooling Method, all uninsured deposits are collateralized with a pool of securities held by the State Treasurer's agent in the name of the State Treasurer as permitted under North Carolina Administrative Code, Title 20, Chapter 7. Depositories holding public funds must establish an escrow account in the name of the State Treasurer to hold this pledged collateral and they must report to the State Treasurer on the adequacy of their collateral pools. The amount of pledged collateral required is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. The Pooling Method shifts responsibility for the monitoring of collateral from the County to the State Treasurer. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer enforces strict standards of minimum capitalization for all pooling method financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of N.C.G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The total bank balance of \$148,796,378 was covered by collateral or insured at June 30, 2015.

North Carolina General Statute 159 also governs the deposits of the Library, ABC Board and the Medic Agency. The Library's and Medic Agency's deposits are insured or collateralized by using the pooling of collateral method. Deposits of the ABC Board are either insured or collateralized by using one of two methods. Under the dedicated method, all deposits over the federal depository insurance coverage are collateralized with securities held by the ABC Board's agent in their name or the pooling method.

At June 30, 2015, the Library's deposits had a carrying amount of \$7,817,669 and a bank balance of \$8,169,734. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts and for certain qualifying and participating non-interest bearing transaction accounts. Of the bank balance at each bank, \$500,000 was covered by federal depository insurance and \$7,669,734 was covered by collateral held under the pooling method. At June 30, 2015, the Library's petty cash fund totaled \$6,985. Included in the amounts above are the money market accounts totaling \$396,158. The Library has no policy for managing interest rate risk or credit risk.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

At June 30, 2015, the Medic Agency's deposits had a carrying value of \$6,681,322 and a bank balance of \$7,147,380 of which \$327,717 was covered by federal depository insurance and \$6,819,663 was covered by collateral under the pooling method. At June 30, 2015, the Medic Agency had cash on hand of \$1,221.

At June 30, 2015, the carrying amount of the ABC Board's bank deposits was \$15,322,527 and the bank balance was \$17,328,536. Of the bank balance at June 30, 2015, \$500,000 was covered by federal depository insurance and the remaining \$16,828,536 was covered by collateral under the pooling method.

### INVESTMENTS

North Carolina General Statute 159-30(c) authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed Federal agencies; certain high quality issues of commercial paper, bankers' acceptances, and the North Carolina Capital Management Trust.

At June 30, 2015, the County had the following investments and maturities:

Investment Type	Fair Value	Maturities		
		Less than 12 Months	1 - 3 Years	3 - 5 Years
U.S. Government Agencies	\$ 719,077,951	\$ 80,844,994	\$ 374,367,741	\$ 263,865,216
Commercial Paper	97,887,560	97,887,560	-	-
NC Capital Management Trust - Cash Portfolio	25,767,354	25,767,354	N/A	N/A
NC Capital Management Trust - Term Portfolio*	13,854,144	13,854,144	-	-
Total	<u>\$ 856,587,009</u>	<u>\$ 218,354,052</u>	<u>\$ 374,367,741</u>	<u>\$ 263,865,216</u>

*\*Because the NC Capital Management Trust Term Portfolio has a duration of .19 years, it was presented as an investment with a maturity of less than 12 months.*

### INTEREST RISK

As a means of limiting exposure to fair value losses resulting from rising interest rates, the County's investment policy limits investments to those with a maturity of no more than 60 months. In addition, the investment portfolio is structured so that maturities meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. At year end, the weighted average final maturity of the County's portfolio was 1.8 years. Of the investments with maturities greater than 12 months, \$310,378,691 was invested in securities with coupons that step up one or multiple times prior to maturity.

### CREDIT RISK

The County has no formal policy regarding credit risk, but maintains internal management procedures that limit the County's investments to the provisions of North Carolina General Statute 159-30 that restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County invests in commercial paper bearing the highest credit rating, as determined by nationally recognized statistical rating organizations (NRSROs) and bankers acceptances where the accepting bank or its holding company are incorporated in North Carolina. As of June 30, 2015, the County's investments in

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commercial paper were rated at least A-1 by Standard & Poor's, F-1 by Fitch Ratings, and P-1 by Moody's Investors Service. The County's investments in the N.C. Capital Management Trust Cash Portfolio carried a credit rating of AA+ by Standard & Poor's as of June 30, 2015. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in U.S. Government Agencies (Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association) were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service at year-end.

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments. To minimize this risk, the County's investments are held in the County's name in a segregated safekeeping account in Fifth Third Bank.

CONCENTRATION OF CREDIT RISK

The County's investment policy does not restrict the level of investment in federal agencies, but it restricts the combined total investment in commercial paper and bankers' acceptances to no more than twenty-five percent of the total portfolio. Investments in commercial paper or bankers' acceptances of a single issuer are limited to no more than ten million dollars or ten percent of the total portfolio at the time of investment. At June 30, 2015, investments in commercial paper comprised 9.8% of the total portfolio. No single issuer exceeded ten million dollars or ten percent of the total portfolio. There were no bankers' acceptances at year end.

The County's investments are stated at fair value on the financial statements, as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The securities of the NCCMT Term Portfolio had a duration of .19 years at June 30, 2015, and are valued at fair value, which is the share price. In accordance with State law, the County invests in securities that are callable prior to maturity and securities that provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value.

As of June 30, 2015, the County had \$86,818,563 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to N.C.G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer's OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 25.6%, State Treasurer's Long-Term Investment Fund (LTIF) 10%; and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 64.4% (the equities were split with 75.4% in domestic securities and 24.6% in international securities).

INTEREST RATE RISK

The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's Short Term Investment Fund (STIF) is

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unrated and had a weighted average maturity of 1.5 years at June 30, 2015. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 18 years at June 30, 2015.

At June 30, 2015, the Library's investments consist of \$6,002,048 in agency funds held at the Foundation for the Carolinas, \$61,470 of this amount is included in cash and cash equivalents. The Library has no policy for managing interest rate risk, custodial credit risk, or concentration of credit risk.

All Medic Agency investments, \$3,027,636, were invested in the NC Capital Management Trust Cash Portfolio at June 30, 2015.

Medic Agency policies regarding risk are:

***Interest Rate Risk*** – As a means of limiting its exposure to fair value losses arising from rising interest rates, Medic Agency limits the investment portfolio to a maximum of three years.

***Credit Risk*** – The agency has no formal policy regarding credit risk, but maintains internal management procedures that limit the Agency's investments to the provisions of North Carolina General Statute 159-30 that restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The Agency's investments in the N.C. Capital Management Trust Cash Portfolio carry a credit rating of AAAM by Standard & Poor's.

***Custodial Credit Risk*** – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The NC Capital Management Trust Cash Portfolio is a diversified investment portfolio and helps the Agency reduce custodial risk.

During 2015, no gains or losses from the sale of investments by the County were recognized. The calculation of realized gains is independent of the calculation of the net increase/decrease in the fair value of investments. The net change in the fair value of investments during 2015 was an increase of \$143,563. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at year-end for the County was \$1,491,126.

Interest on investments is recorded when earned and is distributed to each fund based on the fund's proportionate equity in pooled cash and investments, except that interest on investments of the Capital Projects Funds is distributed to the Debt Service Fund for debt service.

**f. Inventory and Prepaid Items**

Inventory is valued at the lower of cost (first-in, first-out) or market and consists of expendable supplies held for consumption. The cost of individual inventory items is expensed at the time of purchase. At the end of each fiscal year, inventory and applicable expense accounts are adjusted to reflect actual inventory on hand.

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Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements and expensed over the period that the items are used.

The ABC Board merchandise inventory is valued at cost which approximates the lower of first-in, first-out cost or market. Maintenance, office and operating supplies, except paper bags, are expensed when purchased.

**g. Capital Assets**

Capital assets, which include land, land improvements, buildings and improvements, intangible assets, vehicles and heavy equipment, and furniture, machinery and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined as assets with an initial individual purchase price of \$5,000 or more except for internally generated computer software with an initial cost of \$1 million or more, all other intangible assets with an initial cost of \$250,000 or more and an estimated useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost if the asset is purchased or constructed. Contributed capital assets are recorded at the estimated fair market value at the time received. The County owns only limited infrastructure assets, which are considered to be park improvements, a part of land improvements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation, which is recorded as an expense against the operations of the governmental and business-type activities of the government-wide financial statements and for the proprietary fund financial statements, is calculated using the straight-line method over the following estimated useful lives:

Land improvements	20 - 40 years
Building and improvements	10 - 40 years
Machinery and equipment	5 - 10 years
Vehicles	3 - 7 years
Furniture	3 - 10 years
Computer software	2 - 10 years
Other Intangible assets	2 - 10 years

Library capital assets include land, buildings and improvements, furniture and equipment, intangible assets and are reported in the government-wide financial statements. Capital Assets are defined by the Library as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at cost or estimated historical costs. Donated capital assets are recorded at their estimated fair value at the date of donation. The Library capitalizes all library books with a useful life greater than one year. The Library has certain books that are considered historical treasures which are not capitalized and are recorded as expenditures in the year of acquisition. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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Library capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Furniture and equipment	5 - 10 years
Books	3 years
Intangible Assets	5 years

For the ABC Board, buildings, equipment and motor vehicles are stated at cost and are being depreciated over their useful lives on a straight-line basis, and leasehold improvements are amortized over the term of the applicable lease. Upon disposal, the cost of an asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in the change in net assets upon disposal. Maintenance and repairs are expensed as incurred.

Estimated useful lives for the ABC Board are as follows:

Buildings	40 years
Leasehold improvements	5 - 15 years
Furniture and Equipment	3 - 10 years
Vehicles	4 years

Medic Agency's capital assets includes vehicles, furniture and other equipment, patient equipment, computer equipment and buildings and improvements. Capital assets are defined as assets with an initial, individual, purchase of \$5,000 or more and an estimated useful life of one year or more. Capital assets are recorded at historical cost or estimated historical cost if the asset is purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation for Medic assets is provided over the following useful lives of each asset class using the straight-line method:

Vehicles	4 years
Furniture and other equipment	3 - 10 years
Patient equipment	3 - 10 years
Computer equipment	3 - 5 years
Buildings and improvements	10 years

#### **h. Deferred Outflows/Inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement section element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – a charge on refunding, pension related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has three items that meet the criterion for this category – prepaid taxes, tax reservations and other pension related deferrals.



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The Library, ABC Board and Medic Agency had deferred outflows of resources that result from pension related accruals and contributions made to the pension plan in the current year. The Library, ABC Board and Medic Agency had deferred inflows of resources that result from pension related accruals.

**i. Compensated Absences**

For the County, Library and Medic Agency, the maximum amount of vacation that can be transferred to the next calendar year is 240 hours. Accrued vacation beyond the maximum will be converted to sick leave as of the last pay period ending on or before December 31 each year. Vacation leave is earned based on years of service and is fully vested when earned. Upon termination, County employees will be paid all unused accumulated vacation up to 240 hours. Library and Medic Agency employees will be paid all unused accumulated vacation upon termination. The County, Library and Medic Agency sick leave policies allow regular employees to accumulate an unlimited amount of sick leave. One-fourth of the unused accumulated sick leave, which is fully vested when earned, is paid upon termination, with the balance in the case of retirement being used in the determination of length of service for retirement benefits.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for vacation/sick leave is reported in the governmental funds financial statements only if the benefit has matured, for example, as a result of employee resignations and retirements.

ABC Board employees may accumulate a maximum of 48 days earned vacation based on years of service and such leave is fully vested when earned. Employees can accumulate an unlimited amount of sick leave. Sick leave may be used in the determination of length of service for retirement benefit purposes or a portion may be taken as a distribution at retirement.

**j. Long-Term Obligations**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities or the proprietary fund Statement of Net Assets. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium.

**k. Net Position / Governmental Fund Equity**

NET POSITION

Net position in government-wide and proprietary fund financial statement statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

FUND BALANCES

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

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The governmental fund types classify fund balance as follows:

- **Restricted Fund Balance** – This classification includes revenue resources that are restricted to specific purposes externally imposed by creditors or imposed by law.

***Restricted for Stabilization by State Statute*** – portion of fund balance that is restricted by State Statute [N.C.G.S. 159-8(a)].

***Restricted for Land Use and Environmental Services*** – portion of fund balance that is restricted by revenue sources to pay for construction bonds, storm water grants and Register of Deeds document preservation and technology improvements.

***Restricted for Capital Projects*** – portion of fund balance that is restricted by revenue source and can only be used for capital outlay in the County.

- **Committed Fund Balance** – portion of fund balance that can only be used for specific purpose imposed by majority vote of the Mecklenburg County Board of County Commissioners (highest level of decision making authority) by adoption of an ordinance. Once adopted, the limitation can be changed or removed with a similar action by the governing board.

***Committed for Land Use and Environmental Services*** – portion of fund balance that can only be used for storm water operations and code enforcement and land resources.

***Committed for Public Safety*** – portion of fund balance that can only be used for law enforcement operations.

***Committed for Capital Projects*** – portion of fund balance that can only be used for capital outlay in the County.

***Committed for Detention & Court Support Services*** – portion of fund balance that can only be used for jail and court operations.

***Committed for Administrative Services*** – portion of fund balance that has been budgeted by the Board of County Commissioners for support services to County Departments.

***Committed for Debt Service*** – portion of fund balance committed to pay debt service on outstanding debt.

***Committed for Fire Protection*** – portion of fund balance committed by revenue source to pay for Fire Protection Services.

***Committed for Health & Human Services*** – portion of fund balance committed for Health, Mental Health and Social Services.

- **Unassigned Fund Balance** – portion of fund balance that has not been restricted, committed or assigned to specific purposes or other funds.

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The following table presents the restrictions, commitments and assignments of fund balance at June 30, 2015:

			Nonmajor Funds	
	General Fund	Debt Service Fund	Special Revenue Funds	Capital Projects Funds
Fund Balance:				
Restricted				
Stabilization by State Statute	\$ 97,531,243	\$ 15,596,302	\$ 20,417,199	\$ 50,811,921
Land Use and Environmental Services	-	-	3,342,208	-
Capital Projects	-	-	-	31,179,205
Committed				
Land Use and Environmental Services	17,676,362	-	28,462,499	-
Public Safety	-	-	1,582,360	-
Fire Protection	-	-	1,581,228	-
Capital Projects	-	-	-	77,049,076
Detention and Court Support Services	872,201	-	-	-
Administrative Services	390,000	-	-	-
Health & Human Services	1,212,344	-	-	-
Debt Service	-	165,987,584	-	-
Unassigned	356,468,709	-	(11,545,760)	(12,637,219)
Total	\$ 474,150,859	\$ 181,583,886	\$ 43,839,734	\$ 146,402,983

The General Fund is the only fund that reports a positive unassigned fund balance amount. The Transit One-half Cent Sales Tax Fund had a negative unassigned fund balance of (\$11,545,760) resulting from the offset of the reserve by state statute for the receivable as all funds collected are remitted to the City of Charlotte and there is no total fund balance. The Other Capital Funding Fund has a negative unassigned fund balance of (\$152,629) resulting from encumbrances being issued prior to grant reimbursement funds being received. The 2015C Public Improvement Fund has a negative unassigned fund balance of (\$12,484,590) resulting from expenditures paid after adoption of the capital projects ordinance but prior to the bond sale planned for 2016.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

	General Fund	Debt Service Fund	Non-Major Funds
Encumbrances	\$ 23,772,630	\$ 1,936	\$ 55,697,189

Mecklenburg County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Director of Financial Services will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-city funds, and County funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Director of Financial Services has the authority to deviate from this policy if it is in the best interest of the County.

Mecklenburg County Board of County Commissioners has also adopted a fund balance policy for the General Fund which requires that total fund balance be maintained at 28% of actual revenue. The General

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Fund and Debt Service Fund will be combined in calculating the 28% revenue requirement. Fund balance in excess of 28% of actual revenue may be appropriated to fund the capital, technology and fleet reserves. The amount appropriated for the reserves will not exceed 1.75 cents on the property tax rate. If total fund balance falls below 28% of actual revenue a two-year payback period will commence. Unassigned fund balance will be maintained at 8% of the subsequent years' General Fund and Debt Service Fund budgets. Fund balance will not be appropriated for on-going operations of the County except in extreme emergencies and will be used to fund items non-recurring in nature.

**l. Restricted Assets**

The unexpended bond proceeds of special obligation bonds issued for solid waste facilities are classified as restricted assets for the Solid Waste Enterprise Fund because their use is restricted to that purpose. The Library had \$5,940,578 of restricted long-term investments as of June 30, 2015 which are held by a third-party community foundation.

**m. North Carolina State Lottery**

The North Carolina General Assembly adopted legislation allocating a portion of the net revenues from the North Carolina State Lottery Fund to be used to pay for school construction projects or to retire indebtedness for school construction. For the year ended June 30, 2015, the County received \$9,500,000 from the North Carolina Lottery Fund that was used to reduce outstanding school debt.

**n. Benefit Payments Issued by the State**

The following amounts were paid by the State on behalf of the County directly to individual recipients. The County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State.

These amounts, which disclose additional aid to County recipients, do not appear in the basic financial statements because they are not revenues and expenditures of the County:

Medicaid	\$	1,009,916,303
Temporary Assistance to Needy Families		7,365,715
Domiciliary Care		5,834,899
Supplemental Food Program		16,998,509
Low Income Energy Assistance		1,887,210
Refugee Assistance		278,059
Adoption Assistance		6,514,132
Foster Care		3,433,038
Total	\$	<u>1,052,227,865</u>

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**o. Deferred outflows/inflows of Resources**

The balances in deferred outflows/inflows at June 30, 2015 are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred refunding charges	\$ 45,219,396	\$ -
Prepaid taxes	-	9,563,581
Differences between expected and actual experience	-	2,808,018
Net difference between projected and actual earnings on pension plan investments	-	59,836,416
Changes in proportion and differences between County contributions and proportionate share of contributions	4,935,412	-
County contributions subsequent to the measurement date	18,387,605	-
<b>Total</b>	<b>\$ 68,542,413</b>	<b>\$ 72,208,015</b>

In addition, the governmental funds reported unavailable revenues from property tax receivables of \$38,135,890 at June 30, 2015.

**p. Statement of Cash Flows**

All cash and investments of the proprietary funds are held in a County-wide cash and investment pool. Funds are available on demand from the pool. Accordingly, all cash and investments are considered cash and cash equivalents in the Statement of Cash Flows.

**q. Defined Benefit Pension Plans**

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

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## 2. Accounts Receivable

The following reflects the components of accounts receivable as reported in the government-wide Statement of Net Position at June 30, 2015:

	Governmental Activities			Business-type	Total
	General Fund	Debt Service Fund	Nonmajor Funds	Solid Waste Fund	Receivables
General	\$ 13,010,122	\$ 1,304,950	\$ 2,229,172	\$ 769,097	\$ 17,313,341
Less allowance for doubtful accounts	(4,709)	-	-	(244,495)	(249,204)
State and Federal Government	59,718,127	13,884,436	15,470,575	-	89,073,138
Taxes	40,917,074	-	801,434	-	41,718,508
Less allowance for doubtful accounts	(12,836,700)	-	(185,410)	-	(13,022,110)
Interest	1,159,163	404,980	64,583	64,736	1,693,462
Total Accounts Receivable	<u>\$ 101,963,077</u>	<u>\$ 15,594,366</u>	<u>\$ 18,380,354</u>	<u>\$ 589,338</u>	<u>\$ 136,527,135</u>

## 3. Property Tax

The County's property tax levy effective for fiscal year 2015, was based on the assessed values listed as of January 1, 2013, for real property, boats, trailers and income-producing personal property and vehicles as described below in this Note. Such assessed values were based upon current estimated market values for personal property and, for real property, estimated market values as of January 1, 2013. The property tax rate for the 2015 fiscal year was \$.8157 per \$100 valuation. A revaluation of all real property is required to be performed at least every eight years. The County's last revaluation was completed in fiscal year 2011 effective for fiscal year 2012. North Carolina General Statutes require that each County make annual appropriations to accumulate the moneys estimated to be required for such purpose.

In accordance with State law, the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due September 1, the lien date; however, penalties and interest do not accrue until the following January 6. The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year.

As of September 1, 2013 State law altered the procedures for the assessment and collections of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable and are offset by deferred inflows or resources.



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#### 4. Taxes Collected for Municipalities

The County acts as agent for billing and collecting property tax levies for all municipalities in the County. Such amounts are accounted for in the Fiduciary Agency Funds. The County also collects room occupancy taxes, a portion of which is distributed to the City of Charlotte and Towns of Cornelius, Davidson, Huntersville, Matthews and Pineville, food and beverage taxes, which are distributed to the City of Charlotte, and vehicle rental taxes which are distributed to the City of Charlotte and Towns of Cornelius, Matthews, Mint Hill and Pineville and Stallings. These amounts are accounted for in the two Agency Funds, Municipalities' Taxes and Food and Beverage Tax, respectively.

#### 5. Capital Assets

The following presents the activity in capital assets for the year ended June 30, 2015:

	Primary Government				
	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Governmental activities:					
<i>Capital assets not being depreciated :</i>					
Land	\$ 446,412,468	\$ 21,229,721	\$ -	\$ -	\$ 467,642,189
Construction in progress	93,665,630	10,533,080	-	-	104,198,710
Total capital assets not being depreciated	540,078,098	31,762,801	-	-	571,840,899
<i>Capital assets being depreciated :</i>					
Land improvements	60,678,130	495,951	-	-	61,174,081
Buildings and improvements	697,878,335	16,016,899	-	-	713,895,234
Vehicles and heavy equipment	28,840,444	4,561,826	(2,972,229)	-	30,430,041
Furniture, machinery and equipment	28,115,016	1,300,671	(166,756)	-	29,248,931
Intangibles-software and licenses	15,665,008	-	-	-	15,665,008
Total capital assets being depreciated	831,176,933	22,375,347	(3,138,985)	-	850,413,295
Less accumulated depreciation:					
Land improvements	(30,829,977)	(2,100,516)	-	-	(32,930,493)
Buildings and improvements	(306,090,149)	(18,999,617)	-	-	(325,089,766)
Vehicles and heavy equipment	(17,832,768)	(2,629,262)	2,508,105	-	(17,953,925)
Furniture, machinery and equipment	(23,634,137)	(1,094,811)	161,502	-	(24,567,446)
Intangibles-software and licenses	(8,575,275)	(1,566,501)	-	-	(10,141,776)
Total accumulated depreciation	(386,962,306)	(26,390,707)	2,669,607	-	(410,683,406)
Total capital assets being depreciated, net	444,214,627	(4,015,360)	(469,378)	-	439,729,889
Governmental activities capital assets, net	\$ 984,292,725	\$ 27,747,441	\$ (469,378)	\$ -	\$ 1,011,570,788

Primary Government continued

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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	Primary Government				
	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Business-type activities					
<i>Capital assets not being depreciated:</i>					
Land	\$ 31,112,502	\$ 23,700	\$ -	\$ -	\$ 31,136,202
Construction in progress	8,456,878	721,659	-	-	9,178,537
Total capital assets not being depreciated	39,569,380	745,359	-	-	40,314,739
<i>Capital assets being depreciated:</i>					
Land improvements	10,514,617	-	-	-	10,514,617
Buildings and improvements	14,380,072	-	-	-	14,380,072
Vehicles and heavy equipment	5,682,735	278,569	(1,009,068)	174,232	5,126,468
Furniture, machinery and equipment	11,576,557	246,194	(101,337)	(174,232)	11,547,182
Intangibles-software and licenses	400,916	-	(400,916)	-	-
Total capital assets being depreciated	42,554,897	524,763	(1,511,321)	-	41,568,339
Less accumulated depreciation:					
Land improvements	(3,816,490)	(349,303)	-	-	(4,165,793)
Buildings and improvements	(8,549,195)	(511,120)	-	-	(9,060,315)
Vehicles and heavy equipment	(4,070,798)	(198,464)	900,459	-	(3,368,803)
Furniture, machinery and equipment	(5,440,505)	(1,041,647)	101,338	-	(6,380,814)
Intangibles-software and licenses	(58,216)	-	58,216	-	-
Total accumulated depreciation	(21,935,204)	(2,100,534)	1,060,013	-	(22,975,725)
Total capital assets being depreciated, net	20,619,693	(1,575,771)	(451,308)	-	18,592,614
Business-type activities capital assets, net	\$ 60,189,073	\$ (830,412)	\$ (451,308)	\$ -	\$ 58,907,353

Depreciation expense was charged to the programs of the County as follows:

<b>Governmental activities:</b>	
Customer Satisfaction and Management Services	\$ 2,083
Administrative Services	2,911,590
Financial Services	1,148,978
Land Use and Environmental Services	953,988
Community Services	4,480,976
Detention and Court Support Services	14,458,055
Health and Human Services	2,315,301
Business Partners	119,736
Total Governmental activities	26,390,707
<b>Business-type activities:</b>	
Solid Waste Enterprise Fund	2,100,534
Total depreciation expense	\$ 28,491,241

MECKLENBURG COUNTY, NORTH CAROLINA  
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Amounts expended and estimated costs to complete the County's construction in progress are as follows:

	Estimated Project Authorization	Expended to June 30, 2015	Costs to Complete
<b>Projects:</b>			
<b>Governmental Funds:</b>			
Park and Recreational facilities	\$ 171,577,205	\$ 87,449,948	\$ 84,127,257
Law Enforcement/Court facilities	44,115,000	14,837,133	29,277,867
County facilities	103,527,454	1,911,631	101,615,823
Total Governmental Funds	319,219,659	104,198,712	215,020,947
<b>Business-type activities:</b>			
Solid Waste Enterprise Fund	9,744,869	9,178,537	566,332
Total	<u>\$ 328,964,528</u>	<u>\$ 113,377,249</u>	<u>\$ 215,587,279</u>

Net interest cost on debt issued to fund the construction of capital assets of \$233,881 was capitalized in the Solid Waste Fund for the year ended June 30, 2015.

Activity in the Library's capital assets for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<i>Capital assets not being depreciated :</i>				
Land	\$ 13,523,473	\$ -	\$ -	\$ 13,523,473
Construction in progress	190,440	214,887	(183,323)	222,004
Total capital assets not being depreciated	13,713,913	214,887	(183,323)	13,745,477
<i>Capital assets being depreciated :</i>				
Buildings and improvements	91,129,213	85,655	(12,360)	91,202,508
Books	18,230,245	2,964,319	(3,889,962)	17,304,602
Furniture and equipment	6,407,212	782,009	(1,287,743)	5,901,478
Digital books	279,268	224,488	-	503,756
Website	-	105,970	-	105,970
Total capital assets being depreciated	116,045,938	4,162,441	(5,190,065)	115,018,314
<i>Less accumulated depreciation:</i>				
Buildings and improvements	(29,615,299)	(2,288,845)	2,369	(31,901,775)
Books	(13,253,117)	(2,362,174)	3,889,961	(11,725,330)
Furniture and equipment	(5,451,590)	(308,082)	1,283,142	(4,476,530)
Digital books	(45,823)	(84,802)	-	(130,625)
Total accumulated depreciation	(48,365,829)	(5,043,903)	5,175,472	(48,234,260)
Total capital assets being depreciated, net	67,680,109	(881,462)	(14,593)	66,784,054
 Total Capital Assets, net	 <u>\$ 81,394,022</u>	 <u>\$ (666,575)</u>	 <u>\$ (197,916)</u>	 <u>\$ 80,529,531</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
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FOR THE YEAR ENDED JUNE 30, 2015

Activity in the Medic Agency's capital assets for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<i>Capital assets being depreciated :</i>				
Vehicles	\$ 11,996,346	\$ 1,149,770	\$ (878,536)	\$ 12,267,580
Furniture and other equipment	3,512,706	293,523	-	3,806,229
Patient equipment	2,173,813	2,541,502	-	4,715,315
Computer equipment	4,878,686	458,939	-	5,337,625
Buildings and improvements	7,038,445	-	-	7,038,445
Total capital assets being depreciated	29,599,996	4,443,734	(878,536)	33,165,194
<i>Less accumulated depreciation:</i>				
Vehicles	(9,296,842)	(1,266,951)	878,536	(9,685,257)
Furniture and other equipment	(2,847,055)	(276,193)	-	(3,123,248)
Patient equipment	(1,954,375)	(213,006)	-	(2,167,381)
Computer equipment	(4,117,847)	(244,072)	-	(4,361,919)
Buildings and improvements	(4,780,096)	(385,928)	-	(5,166,024)
Total accumulated depreciation	(22,996,215)	(2,386,150)	878,536	(24,503,829)
Total Capital assets, net	\$ 6,603,781	\$ 2,057,584	\$ -	\$ 8,661,365

Activity in the ABC Board's capital assets for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<i>Capital assets not being depreciated :</i>				
Land	\$ 5,862,198	\$ 1,000,000	\$ -	\$ 6,862,198
Construction in progress	1,916,680	-	(631,633)	1,285,047
Total capital assets not being depreciated	7,778,878	1,000,000	(631,633)	8,147,245
<i>Capital assets being depreciated :</i>				
Buildings and improvements	29,351,153	2,088,072	(301,045)	31,138,180
Equipment	4,182,630	266,881	(58,029)	4,391,482
Motor vehicles	923,424	188,675	(112,857)	999,242
Total capital assets being depreciated	34,457,207	2,543,628	(471,931)	36,528,904
<i>Less accumulated depreciation:</i>				
Buildings and improvements	(9,457,842)	(952,578)	179,922	(10,230,498)
Equipment	(3,087,229)	(228,146)	58,029	(3,257,346)
Motor vehicles	(501,489)	(161,808)	112,350	(550,947)
Total accumulated depreciation	(13,046,560)	(1,342,532)	350,301	(14,038,791)
Total capital assets being depreciated, net	21,410,647	1,201,096	(121,630)	22,490,113
Total Capital assets, net	\$ 29,189,525	\$ 2,201,096	\$ (753,263)	\$ 30,637,358

MECKLENBURG COUNTY, NORTH CAROLINA  
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## 6. Accounts Payable and Accrued Liabilities

The components of accounts payable and accrued liabilities at June 30, 2015 for the governmental activities and the business-type activities as reported in the Statement of Net Position are as follows:

	Governmental Activities			Business-type Activities	Total Accounts Payable and Accrued Liabilities
	General Fund	Debt Service Fund	Nonmajor Funds	Solid Waste Enterprise Fund	
General payables	\$ 100,378,360	\$ 50,000	\$ 20,189,658	\$ 762,100	\$ 121,380,118
Salaries & benefits payable	26,623,862	-	-	-	26,623,862
Reserve for self insurance	6,739,136	-	-	-	6,739,136
Other accrued liabilities	8,253,077	-	-	-	8,253,077
<b>Total</b>	<b>\$ 141,994,435</b>	<b>\$ 50,000</b>	<b>\$ 20,189,658</b>	<b>\$ 762,100</b>	<b>\$ 162,996,193</b>

## 7. Long Term Debt

### General Obligation Bonds

The County issues general obligation bonds to provide for the acquisition and construction of major capital facilities for the County, Public Library of Charlotte and Mecklenburg County, Charlotte-Mecklenburg Schools and Central Piedmont Community College. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County consolidates all debt issues, including schools, into the Public Improvement category. Repayment of general obligation bonds is funded from general property tax revenues.

General obligation bonds outstanding at June 30, 2015:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2015
Refunding Bonds 2005 – Series C	May 1, 2005	2016	3.4368	\$ 172,125,000	\$ 17,415,000
Public Improvement 2007 - Series A	February 1, 2007	2027	4.1690	102,000,000	9,635,000
Parks and Recreation Bonds 2008 – Series A	February 1, 2008	2028	3.6115	12,000,000	1,800,000
Public Improvement 2008 – Series B	February 1, 2008	2028	3.7954	148,500,000	21,500,000
Refunding Bonds 2009 – Series A	March 10, 2009	2021	2.2523	243,965,000	138,035,000
Public Improvement 2009 – Series B	September 1, 2009	2030	3.5372	100,000,000	75,000,000
Refunding Bonds – 2009 Series C	September 1, 2009	2020	2.6227	130,390,000	101,350,000
Variable Rate Bonds 2009 – Series D	July 28, 2009	2027	Variable	120,000,000	107,735,000
Refunding Bonds 2010 – Series A	March 16, 2010	2026	3.1098	114,940,000	112,725,000
Public Improvement 2011 – Series A	October 27, 2011	2020	1.4854	49,000,000	24,000,000
Qualified School Construction Bonds – Series B	October 27, 2011	2031	0.0156	51,000,000	51,000,000
Refunding Bonds 2011 – Series C	October 27, 2011	2026	2.9501	164,015,000	129,110,000
Refunding Bonds 2013 – Series A	January 29, 2013	2027	1.7506	209,815,000	203,860,000
Public Improvement 2013 – Series B	February 20, 2013	2033	2.3210	100,000,000	90,000,000
School Bonds 2015 – Series A	March 17, 2015	2035	3.8746	100,000,000	100,000,000
<b>Total</b>				<b>\$ 1,817,750,000</b>	<b>\$ 1,183,165,000</b>

MECKLENBURG COUNTY, NORTH CAROLINA  
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The County has advance refunded particular public improvement bonds. These refundings achieve significant interest savings over the life of the bonds and decrease the principal amount outstanding of the refunded bonds. The new proceeds were placed with an escrow agent in an irrevocable trust to provide for all future debt requirements of the refunded debt. The refunded debt is considered defeased and the applicable liabilities have been removed from the governmental activities.

In fiscal year 2010, the County issued \$114,940,000 General Obligation Refunding Bonds at a total interest cost of 3.11%. The purpose was to defease \$111,090,000 of the principal amount outstanding of the Public Improvements 2007 Series A bonds and 2008 Series B bonds. At June 30, 2015, \$111,090,000 in outstanding bonds is considered defeased. Unamortized refunding charges at June 30, 2015 were \$5,287,560.

In fiscal year 2012, the County issued \$164,015,000 General Obligation Refunding Bonds at a true interest cost of 2.95%. The purpose was to defease \$39,450,000 of the principal amount outstanding of the Public Improvements 2004 Series A bonds and refund the 2000 Series C bonds, 2001 Series B bonds and 2006 Series A bonds. At June 30, 2015, \$39,450,000 in outstanding bonds are considered defeased and unamortized refunding charges were \$6,740,670.

In fiscal year 2013, the County issued \$209,815,000 General Obligation Refunding Bonds at a true interest cost of 1.75%. The purpose was to defease \$95,040,000 of the principal amount outstanding of the Public Improvements 2005 Series A, 2007 Series A, 2008 Series A, 2008 Series B and refund 2003 Series B, 2004 Series B and a portion of the 2005 series C bonds. At June 30, 2015, \$95,040,000 in outstanding bonds are considered defeased. Unamortized refunding charges at June 30, 2015 were \$26,307,288.

The County also has \$107,735,000 in Variable Rate Refunding Bonds, Series 2009D, which are remarketed and bear interest at the Windows Interest Rate, the SIFMA index plus the Windows spread of 0.18% per annum. The County is the liquidity support for the 2009D bonds. Fees paid in fiscal year 2015 pursuant to the remarketing agreement totaled \$109,103, and the interest rate at year-end was 0.25%. Interest rates may change pursuant to the terms of the debt agreements based on market conditions and the London Interbank Offered Rate (LIBOR) and SIFMA. The interest rates, per the Remarketing Agreements, cannot exceed 12%. The maximum interest required for these bonds through maturity would be \$76,238,700.

General Obligation Bonds are due serially and mature during the fiscal years 2016-2035 and have interest rates at date of issuance ranging from 1.5% to 4.17% for the fixed rate bonds. The effective rate of interest paid on the average principal balance of outstanding bonds during the year was 4.1%



MECKLENBURG COUNTY, NORTH CAROLINA  
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The following schedule shows annual requirements to amortize all bonded debt outstanding as of June 30, 2015. Interest on the variable rate bonds has been estimated using the rate in effect at June 30, 2015.

Fiscal Year	Governmental Activities	
	Principal	Interest
2016	\$ 140,760,000	\$ 47,992,178
2017	131,260,000	41,433,152
2018	125,160,000	35,669,103
2019	109,415,000	30,172,309
2020	104,300,000	25,444,818
2021 - 2025	334,980,000	77,981,838
2026 - 2030	146,290,000	29,314,600
2031 - 2035	91,000,000	4,346,495
Total	\$ 1,183,165,000	\$ 292,354,493

The County is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt (exclusive of funding and refunding bonds, bonds issued for water, gas, or electric power purposes, and bonds issued for certain other specified purposes) the County may have outstanding to 8% of the appraised value of property subject to taxation. At June 30, 2015, such statutory limit for the County was \$9,490,659,580 providing a legal debt margin of \$7,154,071,468. As of June 30, 2015, \$783,000,000 of general obligation bonds was authorized but unissued.

Special Obligation Bonds

In fiscal year 2012, the County issued \$12,220,000 of Special Obligation Bonds pursuant to the North Carolina Solid Waste Management Loan Program and Local Government Special Obligation Bond Act. The true interest cost of the bonds is 3.22% with an average life of 8.33 years. The final maturity date is January 1, 2026. The bonds are used to acquire and construct certain additions and improvements to the County's existing solid waste management facilities, acquire equipment and pay certain costs related to the issuance of the Special Obligation Bonds. The bonds are solely secured by and payable from obligated revenues consisting of the County's annual Residential solid Waste Fee imposed on all residences and are non-general obligation financings. The bonds are not secured by the County's general funds and do not constitute a legal or equitable pledge, charge, lien or encumbrance on any of the County's property or any of its income, receipts or revenues, except the obligated revenues.

Special Obligation Bonds outstanding at June 30, 2015:

Fiscal Year	Principal	Interest
2016	\$ 745,000	\$ 435,600
2017	775,000	405,800
2018	810,000	374,800
2019	840,000	342,400
2020	880,000	300,400
2021 - 2026	6,095,000	993,000
Total	\$ 10,145,000	\$ 2,852,000

MECKLENBURG COUNTY, NORTH CAROLINA  
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Installment Financings

The Mecklenburg County Public Facilities Corporation (the Corporation) has issued certificates of participation and limited obligation refunding bonds to provide funds which would include the constructing, renovating and equipping of various County school facilities and improvements to certain County government facilities.

In fiscal year 2013, the County issued \$18,115,000 Limited Obligation Bonds at a true interest cost of 2.80%. The purpose was to prepay in advance of their maturities, \$15,130,000 of the principal amount outstanding of the 2008B certificates of participation. The proceeds were placed with an escrow agent in an irrevocable trust to provide for all future debt payments. The refunded debt is considered defeased and the applicable liabilities have been removed from the governmental activities. At June 30, 2015, \$14,620,000 in outstanding certificates were considered defeased.

In addition, Mecklenburg County entered into a North Carolina Clean Water State revolving loan agreement and entered into a Guaranteed Energy Savings Contract.

In fiscal year 2015, the County issued \$120,025,000 Limited Obligation Refunding Bonds at a true interest cost of 2.08%. The purpose was to prepay in advance of their maturities, \$123,530,000 of the principal amount outstanding of the 2009 Limited Obligation Bonds and the 2009A Certificates of Participation. The proceeds were placed with an escrow agent in an irrevocable trust to provide for all future debt payments. The refunded debt is considered defeased and the applicable liabilities have been removed from the governmental activities. At June 30, 2015, \$123,530,000 in outstanding certificates were considered defeased. Unamortized refunding charges were \$6,883,878.

Installment Financings outstanding at June 30, 2015:

	Issue Date	Due Serially To	Average Interest Rate %	Original Issue	Balance June 30, 2015
2006 Certificates	February 1, 2006	2026	variable	\$ 108,000,000	\$ 67,050,000
2008A Certificates	February 1, 2008	2028	variable	124,960,000	72,465,000
2008B Certificates	February 1, 2008	2028	4.435	34,720,000	17,225,000
2009A Certificates	February 1, 2009	2029	4.224	90,765,000	18,175,000
2009 Limited Obligation Bond	September 3, 2009	2027	3.742	223,980,000	52,850,000
NC Clean Water State Revolving Loan	April 11, 2011	2030		2,493,625	786,839
Guaranteed Energy Savings Contract	December 16, 2011	2025		6,291,281	5,471,273
2013 Taxable Limited Obligation Bond	March 13, 2013	2028	2.780	18,115,000	16,375,000
2015 Limited Obligation Refunding	April 30, 2015	2029	4.659	120,025,000	120,025,000
		Total		<u>\$ 729,349,906</u>	<u>\$ 370,423,112</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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The installment financings are due serially and mature during the fiscal years 2016 to 2030 at average interest rates at date of issuance ranging from 2.78% to 4.66% for the fixed rate obligations. The effective rate of interest paid on the average principal balance outstanding during the year was 3.20%.

The Corporation has outstanding \$139,515,000 in variable rate certificates of participation. The following schedule shows the balance as of June 30, 2015 and the interest rate at year-end for these issues. Interest rates may change pursuant to the terms of the debt agreements based on market conditions and the LIBOR rate. The interest rates, per the debt agreements, cannot exceed 12%. The maximum interest required for these certificates through maturity would be \$123,363,600.

In fiscal year 2013, US Bank purchased all of the \$75,600,000 in 2006 COPs. The 2006 COPs were converted to a Bank-Bought rate that resets monthly. In the same fiscal year Wells Fargo purchased all of the \$86,130,000 in 2008A COPs. The 2008A COPs were converted to Floating Rate Notes and the rate resets weekly.

Issue	Balance June 30, 2015	Interest Rate June 30, 2015	Expiration Date
2006	\$ 67,050,000	0.62 %	1/10/2018
2008A	72,465,000	0.43	2/1/2016

The following table shows the annual debt service requirements to maturity. Interest on the variable rate certificates has been estimated using the rate effect at June 30, 2015.

Fiscal Year	Principal	Interest
2016	\$ 30,744,282	\$16,680,451
2017	27,947,388	16,166,345
2018	27,851,633	15,184,689
2019	27,697,059	14,261,122
2020	27,378,706	6,730,150
2021 - 25	176,256,764	19,675,899
2026 - 30	52,547,280	2,759,211
	<u>\$ 370,423,112</u>	<u>\$91,457,867</u>

\$315,742,955 of governmental activities debt outstanding at June 30, 2015 relates to assets of the County. Unspent bond proceeds related to this debt were \$14,904,376 and unamortized refunding charges were \$9,202,903 at June 30, 2015.

MECKLENBURG COUNTY, NORTH CAROLINA  
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Changes in Long-Term Liabilities

The following presents the changes in long-term liabilities for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 1,210,405,000	\$ 100,000,000	\$ (127,240,000)	\$ 1,183,165,000	\$ 140,760,000
Bond premium	137,835,253	34,292,149	(15,585,551)	156,541,851	18,106,931
Total bonds payable	1,348,240,253	134,292,149	(142,825,551)	1,339,706,851	158,866,931
Capital leases	5,037,819	-	(1,133,999)	3,903,820	1,157,100
Compensated absences	28,375,992	22,909,151	(22,611,560)	28,673,583	3,751,043
Installment financings	404,983,458	120,025,000	(154,585,346)	370,423,112	30,744,282
Unfunded OPEB liability	103,443,395	27,696,683	-	131,140,078	-
Net pension liability	46,481,217	-	(46,481,217)	-	-
Law enforcement officers separation allowance	4,685,504	393,026	-	5,078,530	-
Total Governmental Activities	1,941,247,638	305,316,009	(367,637,673)	1,878,925,974	194,519,356
<b>Business-type activities:</b>					
Special Obligation Bonds	10,865,000	-	(720,000)	10,145,000	745,000
Plus: Bond Premium	842,162	-	(68,302)	773,860	68,302
Total bonds payable	11,707,162	-	(788,302)	10,918,860	813,302
Capital leases	-	-	-	-	-
Compensated absences	484,154	321,674	(277,046)	528,782	84,715
Net pension liability	640,860	-	(640,860)	-	-
Landfill development and postclosure care costs	8,873,896	40,088	-	8,913,984	-
Total Business-type Activities	21,706,072	361,762	(1,706,208)	20,361,626	898,017
Total Government-wide	\$ 1,962,953,710	\$ 305,677,771	\$ (369,343,881)	\$ 1,899,287,600	\$ 195,417,373

For the governmental funds, the unfunded pension liability, unfunded OPEB liability and compensated absences are liquidated by the General fund.

The following presents the changes in long-term liabilities for the year ended June 30, 2015 for the Library:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due within One Year
<b>Governmental activities:</b>					
Capital leases	\$ 579,288	\$ -	\$ (171,866)	\$ 407,422	\$ 172,690
Compensated Absences	1,873,372	1,773,476	(1,639,100)	2,007,748	1,200,000
OPEB Liability	19,605,499	4,199,421	(884,961)	22,919,959	-
Total Governmental activities	\$ 22,058,159	\$ 5,972,897	\$ (2,695,927)	\$ 25,335,129	\$ 1,372,690

The \$1,937,594 of long-term liabilities due within one year for the Medic Agency represents compensated absences at June 30, 2015. The \$24,107,355 of long-term liabilities due in more than one year represents the unfunded liability for future post-employment healthcare benefits.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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## 8. Leases

The County leases certain equipment, primarily computer and heavy equipment, under agreements classified as capital leases according to provisions of Financial Accounting Standards Board Statement No. 13 "Accounting for Leases". Obligations of these lease agreements are accounted for in the governmental activities of the government-wide statements and in the business-type activities Enterprise Fund. The net book value of capitalized leases recorded in the government activities, capital assets – furniture, machinery, and equipment, of the government-wide statements is \$249,924 and the net book value of those assets recorded in the business type activities Enterprise Fund, capital assets – vehicles and heavy equipment, is \$253,021.

In addition, the County leases various types of office equipment under operating leases. Under terms of these leases, the County's obligation to continue payments is contingent upon continued annual funding by the Mecklenburg County Board of Commissioners. At June 30, 2015, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year Ending June 30,	Governmental Activities	
	Capital Leases	Operating Leases
2016	\$ 1,241,094	\$ 465,247
2017	1,235,486	951
2018	1,104,966	-
2019	500,000	-
	4,081,546	466,198
Less: amount representing interest	(177,726)	-
Total	\$ 3,903,820	\$ 466,198

Total interest costs for the year ended June 30, 2015 were \$109,927, relating to the capital lease obligations.

The Library leases certain branch facilities under lease agreements having initial terms of three to fifty years. These lease agreements include scheduled rent increases which management believes are intended to cover economic factors related to the underlying property such as property value appreciation and inflation. Two of the branch facility leases have been classified as capital leases. Monthly lease payments of \$1,500 are required on the first capital lease until September 2045. The second capital lease requires monthly payments, which are changed annually (ranging from \$17,051 to \$6,560), through June 2018. Beginning July 2018 through July 2051 the annual lease payment is \$1.

The following is a summary of the Library's future minimum lease payments under the capital lease together with the present value of net minimum lease payments and approximate future minimum rental

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commitments under non-cancelable operating leases with initial or remaining terms of one year or more as of June 30, 2015:

Year Ending June 30,	Capital Leases	Operating Leases
2016	\$ 172,690	\$ 347,338
2017	80,223	314,305
2018	206,109	254,737
2019	1,501	193,370
2020	1,501	193,370
2021 - 2025	7,505	32,230
2026 - 2030	7,505	-
2031 - 2035	7,505	-
2036 - 2040	7,505	-
2041 - 2045	4,880	-
2046 - 2050	3,004	-
2051	1	-
Total minimum payments	499,929	\$ 1,335,350
Less: amount representing interest	(92,507)	
Present value of net minimum capital lease payments	<u>\$ 407,422</u>	

Total interest costs for the year ended June 30, 2015 were \$24,351 relating to the capital lease obligations.

The Medic Agency entered into a lease agreement on November 18, 1997 with Crescent Resources, Inc. and Mecklenburg County to lease space for a Central Operations Center, which allowed the Medic Agency to consolidate its operations into one location. The 10 year lease commenced September 2, 1998. On November 23, 2004; the first amendment to renew the lease agreement for four additional years was exercised. The revision included additional space in a second building and will expire on August 31, 2015.

The schedule of future minimum lease payments under the lease as of June 30, 2015 follows:

Year Ending June 30,	Amount
2016	<u>\$ 111,600</u>

The ABC Board's minimum annual rentals on store properties and equipment leased, with lease terms extending to July 10, 2027, at June 30, 2015 are summarized as follows:

Year Ending June 30,	Operating Leases
2016	\$ 1,254,945
2017	1,306,078
2018	1,130,142
2019	1,100,099
2020	1,106,685
2021 - 2025	1,866,311
2026 - 2027	364,973
Total	<u>\$ 8,129,233</u>

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For the year ended June 30, 2015 rent expense for operating leases for the County was \$195,016, for the Library was \$882,113, for the Medic Agency was \$776,944, and for the ABC Board was \$1,371,987.

## 9. Transfers

The following is a summary of interfund transfers at June 30, 2015:

Transfers Out:	Transfers In:			Total
	General	Non-Major Capital Reserve	Non-Major Other Capital Funding	
General fund	\$ -	\$ 18,258,000	\$ 35,687,590	\$ 53,945,590
Debt Service Fund	-	-	48,900,000	48,900,000
Meck Link	12,980,816	-	-	12,980,816
Non-Major Storm Water Management	393,034	-	-	393,034
Total	<u>\$13,373,850</u>	<u>\$ 18,258,000</u>	<u>\$ 84,587,590</u>	<u>\$116,219,440</u>

## 10. Pension Plan Obligations

### a. North Carolina Local Governmental Employees' Retirement System

*Plan Description.* The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of N.C.G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty)



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or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. . The County's contributions to LGERS for the years ended June 30, 2015, 2014, and 2013, were \$18,316,876, \$17,787,073, and \$14,716,982, respectively.

*Refunds of Contributions* – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

The Library, Medic Agency and ABC Board also participate in the North Carolina Local Governmental Employees' Retirement System described above, which is the same plan in which the County participates. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Library, Medic Agency and ABC Board employees are required to contribute 6% of the compensation. Employer contributions are actuarially determined and set annually by the LEGERS Board of Trustees.

The Library's contractually required contribution rate for the year ended June 30, 2015, was 7.07%. Contributions to the pension plan from the Library were \$1,151,433 for the year ended June 30, 2015. The Medic Agency's contractually required contribution rate for the year ended June 30, 2015 was 7.07%. Contributions to the pension plan were \$1,899,997 for the year ended June 30, 2015. The ABC Board's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees. Contributions to the pension plan from the ABC Board were \$416,844 for the year ended June 30, 2015. The contributions made by the Library, Medic

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Agency and ABC Board were actuarially determined as an amount that, when combined with employee contributions is expected to finance the costs of benefits earned during the year.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2015, the County reported an asset of \$25,698,614 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was 4.36%, which was an increase of 0.45% from its proportion measured as of June 30, 2013.

The net pension asset and proportionate share for the Library, Medic Agency and ABC Board are as follows:

	<u>Library</u>	<u>Medic Agency</u>	<u>ABC Board</u>
Reported net asset for proportionate share of the net pension asset as of June 30, 2015	\$ 1,472,596	\$ 3,038,728	\$ 477,635
Proportionate % of total pension plan as of June 30, 2014	0.250%	0.515%	0.008%
% change from proportionate share measured as of June 30, 2013	(0.021)%	(0.016)%	-

For the year ended June 30, 2015, the County recognized pension expense of \$2,813,619. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,808,018
Net difference between projected and actual earnings on pension plan investments	-	59,825,776
Changes in proportion and differences between County contributions and proportionate share of contributions	4,797,778	-
County contributions subsequent to the measurement date	18,316,876	-
Total	<u>\$ 23,114,654</u>	<u>\$ 62,633,794</u>

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For the year ended June 30, 2015, the Library recognized pension expense of \$196,610. At June 30, 2015, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 160,907
Net difference between projected and actual earnings on pension plan investments	-	3,428,171
Changes in proportion and differences between Library contributions and proportionate share of contributions	416,100	-
Library contributions subsequent to the measurement date	1,151,433	-
<b>Total</b>	<b><u>\$ 1,567,533</u></b>	<b><u>\$ 3,589,078</u></b>

For the year ended June 30, 2015, the Medic Agency recognized pension expense of \$111,787. At June 30, 2015, the Medic Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 332,034
Net difference between projected and actual earnings on pension plan investments	-	7,074,087
Changes in proportion and differences between Medic Agency's contributions and proportionate share of contributions	-	314,115
Medic Agency's contributions subsequent to the measurement date	1,899,997	-
<b>Total</b>	<b><u>\$ 1,899,997</u></b>	<b><u>\$ 7,720,236</u></b>

For the year ended June 30, 2015, the ABC Board recognized pension expense of \$48,385. At June 30, 2015, the ABC Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 52,190
Net difference between projected and actual earnings on pension plan investments	-	1,111,925
Changes in proportion and differences between ABC Board's contributions and proportionate share of contributions	73,572	-
ABC Board's contributions subsequent to the measurement date	416,844	-
<b>Total</b>	<b><u>\$ 490,416</u></b>	<b><u>\$ 1,164,115</u></b>

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\$18,316,876 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2016	\$ (14,457,757)
2017	(14,457,757)
2018	(14,457,757)
2019	(14,462,745)
	<u>\$ (57,836,016)</u>

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense by the Library, Medic Agency and ABC Board as follows:

<u>Year Ending June 30,</u>	<u>Library</u>	<u>Medic Agency</u>	<u>ABC Board</u>
2016	\$ (793,085)	\$ (1,930,464)	\$ (272,622)
2017	(793,085)	(1,930,464)	(272,622)
2018	(793,085)	(1,930,464)	(272,622)
2019	(793,723)	(1,928,844)	(272,676)
	<u>\$ (3,172,978)</u>	<u>\$ (7,720,236)</u>	<u>\$ (1,090,542)</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories

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and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	36.0 %	2.5 %
Global Equity	40.5	6.1
Real Estate	8.0	5.7
Alternatives	6.5	10.5
Credit	4.5	6.8
Inflation Protection	4.5	3.7
Total	100.0 %	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$87,232,181	\$ (25,698,614)	\$ (120,782,677)

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The library, Medic Agency and ABC Board's sensitivity to their proportionate share of the net pension asset to changes in the discount rate is as follows:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Library's proportionate share of the net pension liability (asset)	\$ 4,998,629	\$ (1,472,596)	\$ (6,921,159)
Medic Agency's proportionate share of the net pension liability (asset)	10,314,752	(3,038,728)	(14,281,924)
ABC Board's proportionate share of the net pension liability (asset)	534,095	(157,343)	(739,513)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

**b. Law Enforcement Officers' Special Separation Allowance**

*Plan Description.* The County administers a public employee retirement system ("Separation Allowance"), a single employer defined benefit pension plan that provides retirement benefits to qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the monthly equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of N.C.G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. For reporting purposes, the Separation Allowance is presented as a pension trust fund; however, it does not meet the criteria for trust funds outlined in GASB Statement 68.

All full-time County law enforcement officers are covered by the Separation Allowance; however, benefit eligibility is based on qualified and creditable service for unreduced retirement benefits. At December 31, 2014, the Separation Allowance's membership consisted of:

	County
Retirees	39
Active plan members	318
Total	357

The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures by the County, for which there is no separately issued financial report, of \$775,671 for the fiscal year ended June 30, 2015, were made from the General Fund, which is maintained on a modified accrual basis of accounting.

*Contributions.* The County is required by Article 12D of N.C.G.S. 143 to provide these retirement benefits. The County obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

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The County's annual required contribution for the current year was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions include (a) 5.00% investment rate of return and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include postretirement benefit increases. The asset valuation method was market value. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 2014, was 16 years.

*Funded Status and Funding Progress.* The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 1,330,232
Interest on net pension obligation	234,275
Adjustment to annual required contribution	(395,810)
Annual pension cost	1,168,697
Contributions made	(775,671)
Increase in net pension obligation	393,026
Net pension obligation beginning of year	4,685,504
Net pension obligation end of year	<u>\$ 5,078,530</u>

Three Year Trend Information:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation End of Year
2015	\$ 1,168,697	66.37 %	\$ 5,078,530
2014	925,642	62.35	4,685,504
2013	942,356	66.14	4,336,966

As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$11,520,235, and there was no actuarial value of assets, resulting in an unfunded accrued liability (UAAL) of \$11,520,235. The covered payroll (annual payroll of active employees covered by the plan) was \$18,759,543, and the ratio of UAAL to covered payroll was 61.41%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits

**c. Supplemental Retirement Income Plan**

*Plan Description.* The County and ABC Board contribute to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County and ABC Board and to non-law enforcement full time employees of the ABC Board. Article 5 of N.C.G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the



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Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy* Article 12E of N.C.G.S. Chapter 143 requires the County and ABC Board to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. In addition, the ABC Board voluntarily contributed 3% with an additional 1% match for employee participation in 2015 and 2014, respectively, of each officer's salary. Also, law enforcement officers may make voluntary contributions to the Plan. For County officers, all contributions were provided by the County and the total amount for the year ended June 30, 2015 was \$931,742 compared to \$935,044 for the year ended June 30, 2014. Contributions for the ABC Board for the year ended June 30, 2015, were \$121,553, which consisted of \$75,200 from the ABC Board and \$46,353 from the law enforcement officers' voluntary contributions and contributions for June 30, 2014 were \$123,609, which consisted of \$69,979 from the ABC Board and \$53,630 from law enforcement officers' voluntary contributions.

For non-law enforcement full-time employees, the ABC Board voluntarily contributes each month an amount equal to 5% with a 1% match for employee participation in 2015 and 2014 of each employee's salary, respectively. Non-law enforcement employees, also, may make voluntary contributions to the plan. Total contributions for the years ended June 30, 2015 and 2014 were \$512,048 and \$500,025, respectively, which consisted of \$290,812 for 2015 and \$285,258 for 2014 from the ABC Board and \$221,236 for 2015 and \$214,767 for 2014 from the non-law enforcement employee's voluntary contributions.

**d. Register of Deeds' Supplemental Pension Fund**

*Plan Description.* The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds that is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of N.C.G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility

is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

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*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$70,729 for the year ended June 30, 2015.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2015, the County reported an asset of \$1,976,785 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County's proportion was 8.72%, which was a decrease of 0.81% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$4,082. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,140	\$ -
Net difference between projected and actual earnings on pension plan investments	-	10,640
Changes in proportion and differences between County contributions and proportionate share of contributions	119,494	-
County contributions subsequent to the measurement date	70,729	-
Total	<u>\$ 208,363</u>	<u>\$ 10,640</u>

\$70,729 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2016	\$ 59,901
2017	59,901
2018	9,852
2019	(2,660)
	<u>\$ 126,994</u>

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*Actuarial Assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%:

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County's proportionate share of the net pension asset would be if

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it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (1,775,023)	\$ (1,976,743)	\$ (2,150,121)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

## 11. Supplemental Retirement Plans

The County, Library and Medic Agency offer their employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and a 401(k) supplemental retirement income plan through the State of North Carolina that is also in compliance with the Internal Revenue Code. All regular, full-time and part-time employees are eligible to participate in one or both of the two plans.

The deferred compensation plan permits participants to defer a portion of their salaries to future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The County, Library and Medic Agency have complied with changes in the laws which govern deferred compensation plans, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. The 401(k) supplemental retirement income plan allows eligible participants to contribute up to the maximum allowable under the law as a percentage of base salary.

In fiscal years 2015 and 2014 the County, Library, and Medic matched 100% of the first 5%, of each participant's total annual contribution. Total contributions to the plan by the County were \$8,597,133 and \$8,027,358, respectively, for years ended June 30, 2015 and 2014. The Library total contributions were \$416,594 and \$386,217, respectively, for years ended June 30, 2015 and 2014. Contributions by the Medic Agency for June 30, 2015 and 2014 were \$824,732 and \$880,334, respectively.

## 12. Postemployment Healthcare Benefit Plans

*Plan Description.* The County pays the full cost of the health care insurance premiums for employees retiring with twenty or more years of creditable service with the County. Employees retiring with 10 through 19 years of creditable service with the County receive 50% of the costs of their health care insurance premium. To be eligible for this benefit the retirees must be members of the North Carolina Local Governmental Employees' Retirement System (System) and must have been employed with the County on or before July 1, 2010. Also, retirees can purchase coverage for their dependents at the County's group rate. Claims are paid at 100% until the retiree reaches Medicare eligibility. The County's plan is a single-employer, defined benefit plan. Authorization to amend the benefit program rests with the Board of County Commissioners. A separate report is not issued for the benefit program.

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Membership in the program as of January 1, 2014, the date of the latest actuarial valuation was:

Retired employees	1,266
Spouses/Domestic Partners of retired employees	174
Deferred Vested Members	748
Active employees	3,181
Total	<u>5,369</u>

*Funding Policy.* Contributions to be paid by members are established by the Board of County Commissioners, which also has the authority to amend the program. For 2015, retiree annual contribution rates are:

	Pre-Medicare Standard	Pre-Medicare Enhanced	Medicare Eligible Indemnity
20 or more years of service:			
Retiree	\$ -	\$ 1,331	\$ -
Spouse	3,115	4,594	4,798
10 to 19 years of service:			
Retiree	4,698	6,350	3,644
Spouse	3,115	4,594	4,798

The County contributed \$17,064,513 of the actuarially calculated annual required contribution (ARC) of \$46,801,044 for fiscal year 2015.

*Summary of Significant Accounting Policies.* Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

*Annual OPEB Cost and Net OPEB Obligation.* The ARC is an amount determined in accordance with the parameters of GASB Statement 45 and represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 46,801,044
Interest on net OPEB obligation	4,654,953
Adjustment to annual required contribution	<u>(6,694,801)</u>
Annual OPEB cost	44,761,196
Contributions made	<u>(17,064,513)</u>
Increase in net OPEB obligation	27,696,683
Net OPEB obligation beginning of year	103,443,395
Net OPEB obligation end of year	<u>\$ 131,140,078</u>

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FOR THE YEAR ENDED JUNE 30, 2015

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2015, 2014, and 2013 are as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$44,761,196	38.12 %	\$131,140,078
2014	37,568,574	44.17	103,443,395
2013	48,172,622	32.13	82,468,065

The County's contribution was deposited in the North Carolina State Treasurer's Local Government Other Post-Employment Benefit Trust Fund, an irrevocable trust fund for Fiscal Years 2015, 2014 and 2013.

*Funded Status and Funding Progress.* As of January 1, 2014, the most recent actuarial valuation date, the plan was funded on the pay-as-you-go basis. The actuarially accrued liability for benefits was \$466,390,344 and the actuarial value of assets was \$67,353,607 resulting in an unfunded actuarial accrued liability (UAAL) of \$399,036,737. The annual payroll of active employees covered by the plan was \$260,514,733 and the ratio of the UAAL to the covered payroll was 153.17%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

At January 1, 2014, the actuarial valuation used the projected unit credit actuarial cost method. The assumptions included a 4.5% investment rate of return, which is the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date. Healthcare cost trends varied from 6.50% to 4.50% over seventy years and salary projections assumed a zero percent inflation rate. The actuarial value of assets is equal to the fair market value of assets. The UAAL is being amortized as a level dollar amount on a closed basis. The remaining amortization period at January 1, 2014 was 27 years.

The Library pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a plan funded on the pay-as-you-go basis. Funding for these costs is included in budgeted appropriations in the annual budget. The cost of these benefits recognized as expenditure for the year ended June 30, 2015 was \$884,963 for the qualified retirees. The current ARC rate is 29.0% of annual covered payroll and the Library contributed \$884,963 or 5% of covered payroll which leaves a net OPEB obligation of \$22,919,959 recorded to liabilities in

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the Statement of Net Assets. Complete information regarding the Library's plan appears in the separately issued June 30, 2015 Library financial statements.

Medic Agency provides the full cost of post-employment healthcare benefits to qualified retirees with 30 years of credited service and 50% of the cost of post-employment healthcare benefits to qualified retirees with 20 - 30 years of credited service. Effective June 1, 2010 the plan was closed to new entrants. Medic Agency funded \$418,244 of the \$5,053,413 ARC with the \$24,107,355 remaining OPEB obligation recorded to liabilities in the Statement of Net Assets. The ARC rate is 18% of annual covered payroll and the contribution is 1.52% of annual covered payroll. Complete information regarding Medic Agency's post-employment healthcare benefits appears in Medic Agency's separately issued June 30, 2015 financial statements.

The ABC Board provides retiree health benefits under the ABC Board Retiree Benefit Plan. The Plan covers major medical benefits for the 15 covered members up to a lifetime maximum benefit of \$2,000,000 per covered individual not eligible for Medicare and \$50,000 per covered individual who is Medicare eligible for those who have already elected to participate; however, this \$50,000 coverage plan is no longer open to those not already enrolled in it. Medicare eligible retirees retiring after November 18, 2009 do not have the option of remaining on the Board's retiree health plan, but instead are eligible to receive a reimbursement stipend for private coverage. As of June 30, 2014, the most recent valuation date, the plan was not funded. The remaining OPEB obligation of \$2,480,389 is recorded as a liability in the Statement of Net Assets. Complete information regarding the ABC Board's post-employment healthcare benefits appears in the ABC Board's separately issued June 30, 2015 financial statements.

### **13. Other Employment Benefits**

Under the Consolidated Omnibus Budget and Reconciliation Act of 1985 (COBRA), the County and Medic Agency allow terminated employees to continue their enrollment in their health care insurance program for up to 18 months following termination. Continuation of coverage by the terminated employee is optional for the employee who has up to 60 days following termination to decide. There is no cost to the County or Medic Agency, and the terminated employee must pay the full premium amount plus a two percent administrative fee.

The County and the ABC Board have elected to provide death benefits to employees through the Death Trust Plan for members of the Local Governmental Employees' Retirement System (Death Trust Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. Employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Trust Plan. Neither the County nor the ABC Board has liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Trust Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2015, the County and the ABC Board did not make a contribution to the State for death benefits.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

## 14. Risk Management

The County's Risk Management Program is a self-funded, risk-financing program administered by the City of Charlotte's Risk Management Office of the City Management and Financial Services Department, as trustee for the County. As of June 30, 2015, the program covered the following areas of risk: Commercial Automobile Liability, Fidelity Bonds, Inland Marine, Commercial General Liability, Public Official Liability, Law Enforcement, Medical Professional Liability, Property, and Workers' Compensation. The fidelity bonds are maintained at the system levels for all applicable employees. The County will finance its own loss exposures up to the first \$1,500,000 per occurrence per year with a separate reserve held in trust for the County and current appropriations in the County budget except for property exposures and Workers' Compensation exposures as described below. Amounts in this reserve are specifically designated by entity. The Risk Management Office accrues for claims incurred but not reported based on prior historical data. This accrual reduces cash available in the separate trust. Property exposures over \$100,000 and Workers' Compensation exposures over \$900,000 are insured. Law Enforcement exposures over \$1,500,000 are insured up to \$5,000,000 and public official liability exposures over \$250,000 are insured up to \$4,750,000. The County has purchased excess insurance to cover automobile and general liability exposures in amounts up to \$25,000,000 above the trust coverage amount. The Finance Officer is bonded for \$250,000 and Tax Collector is bonded for \$100,000. There have been no significant reductions in insurance coverage from coverage levels in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

A summary of amounts relating to self-insurance in the General Fund is as follows:

	2015	2014
Accounts payable and accrued liabilities - beginning of fiscal year	\$ 14,601,167	\$ 14,967,283
Additions	13,479,405	6,442,515
Payments	(7,521,930)	(6,808,631)
Accounts payable and accrued liabilities - end of fiscal year	<u>\$ 20,558,642</u>	<u>\$ 14,601,167</u>

The Library acquires its risk management services through the City of Charlotte's Risk Management Office. The Library has commercial general liability of \$1 million per occurrence, workers' compensation employer's liability coverage of \$500,000 and public officers' coverage of \$1 million per loss. There have been no significant reductions in insurance coverage from coverage levels in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The insurance coverage for the Medic Agency is provided through commercial carriers and the County. Coverage includes a general insurance policy, commercial automobile policy, commercial umbrella policy, an umbrella storage tank liability and coverage for workers compensation. The general insurance policy covers commercial property, general liability, crime, portable equipment and management liability. The commercial property policy covers business and personal property up to a limit of \$7,309,091 and includes sublimits for flood insurance of \$1,000,000 per location for contents except for the headquarters building which included \$6,714,372 for contents. The crime policy includes coverage for crime up to \$100,000 per occurrence. The policy also includes a \$250,000 finance officers; bond. The portable equipment policy covers the guaranteed replacement cost. The general liability covers up to \$1,000,000 per occurrence and \$3,000,000 for aggregate coverage. The management liability also covers up to \$1,000,000 per occurrence and up to \$10,000,000 for general aggregate coverage. The commercial automobile policy covers up to \$1,000,000 per occurrence. The



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FOR THE YEAR ENDED JUNE 30, 2015

commercial umbrella policy includes a limit of \$5,000,000 for each occurrence and up to \$10,000,000 for general aggregate coverage. The underground storage tank policy covers up to \$1,000,000 for each incident. Workers compensation is provided by the County for claims over \$900,000 for each occurrence.

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has commercial property, general liability, auto liability, workers' compensation, and employee health coverage. The ABC Board also has liquor legal liability. There have been no significant reductions in insurance coverage from coverage levels in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with N.C.G.S. 18B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$55,000 secured by a corporate surety.

## **15. Closure and Postclosure Care Costs – U. S. 521 Landfill**

State and federal laws require the County to place a final cover on its U.S.521 Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 25 years after closure. Although closure and postclosure care costs will only be paid near or after the date the landfill stops accepting waste, the County reports a portion of these costs as an operating expense each fiscal year based on the landfill capacity used as of the balance sheet date. The accrued landfill development and postclosure care costs totals \$8,913,984 and has two components. The cumulative amount reported, based on the use of 56% of the total estimated capacity of the landfill, for closure and postclosure care costs is \$8,061,762. The County will recognize the remaining estimated cost of closure and postclosure care of \$7.3 million as the remaining estimated capacity is filled. This amount is based on the current costs to perform closure and postclosure care in fiscal year 2015. The County expects to close the U.S.521 landfill in 2030. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The County has met the requirements of a local government financial test that is one option under state and federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has also elected to establish a reserve fund to accumulate the resources for the payment of future use development costs. The cumulative amount reported in the future use reserve at June 30, 2015 is \$852,222. The County will recognize the remaining estimated cost of future use development of \$1,061,069 as the remaining capacity is filled. These funds are held in investments with a cost of \$852,222 (market value, \$852,222) at year-end. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined, these costs may need to be covered by charges to future landfill users.

## **16. Commitments and Contingencies**

The County participates in a number of Federal and State of North Carolina grant programs, principally Social Services Administration, Temporary Assistance to Needy Families, Mental Health Area Matching Funds, and Medical Assistance programs. For the fiscal year ended June 30, 2015, these programs were audited in accordance with the Single Audit Amendment of 1996 and the State Single Audit Act, N.C.G.S. 159-34, which this report is issued separately. Any expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

Unexpended funds of \$77,049,076 at June 30, 2015 are committed for various projects in accordance with related Capital Projects Ordinances. These funds are included in Restricted Net Position and are included in committed fund balance of the appropriate capital projects funds. The County reviews its potential liability for arbitrage rebate payments and the liability at June 30, 2015 was \$1,385,382.

The County is involved in various legal actions in the normal course of its business. In addition, the County has charges pending with the Equal Employment Opportunity Commission. The charges initiated by individuals alleging discriminatory hiring, promotion or termination practices, are not in litigation and there have been no class action threats. Although the outcome of the above claims and the ultimate amount of compensation or penalties which might be awarded are not presently determinable, in the opinion of County management and the County Attorney, the results of the claims and resolution of legal actions will not have a materially adverse impact on the financial position of the County.

### **17. Jointly Governed Organization**

The County, in conjunction with seven other counties and 50 municipalities, established the Centralina Council of Governments (COG) (Region F). The participating governments established COG to coordinate funding received from various federal and state agencies. Each participating government appoints one member to COG's 58-member governing board. The County paid membership fees of \$240,711 to COG during fiscal year 2015.

### **18. Joint Ventures**

The County, along with the State of North Carolina, participates in a joint venture to operate Central Piedmont Community College (CPCC). The County, State of North Carolina and the Charlotte-Mecklenburg Board of Education make four appointments each to the 12-member board of trustees. CPCC is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of CPCC and also provides some financial support for operations. In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds and certificates of participation to provide financing for new and restructured facilities. The County contributed \$32,284,482 for operations and \$21,051,625 for capital purposes during fiscal year 2015, and made debt service payments of \$11,348,439 in fiscal year 2015 on general obligation bonds and certificates of participation issued for CPCC. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest is reflected in the County's financial statements. Complete financial statements for CPCC may be obtained from the following address:

Central Piedmont Community College  
P.O. Box 35009  
Charlotte, NC 28235

The County, in conjunction with Catawba, Iredell and Lincoln Counties participates in a joint venture to operate the Lake Norman Marine Commission (the Commission). Each participating government appoints one board member, except Catawba County which appoints two members. The Commission was established to make joint regulations for the safe operation of vessels and for safe recreational use of the water. Each County is obligated to contribute an equal amount appropriate to support the activities of the Commission. The County provided \$21,584 to the Commission in fiscal year 2015. None of the participating governments has an equity interest in

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

the Commission, so no equity interest has been reflected in the financial statements at June 30, 2015. Complete financial statements for the Commission may be obtained from the following address:

Lake Norman Marine Commission  
P.O. Box 35008  
Charlotte, NC 28235

In addition, the County, in conjunction with Gaston County and York County, South Carolina, participates in a joint venture to operate the Lake Wylie Marine Commission (the Commission). The County and York County each appoint two board members, and Gaston County appoints three members. The Commission was established to make joint regulations for preserving and protecting property and wildlife and promoting public safety. Each County is obligated to contribute an equal amount appropriate to support the activities of the Commission. The County provided \$23,675 to the Commission in fiscal year 2015. None of the participating governments has an equity interest in the Commission, so no equity interest has been reflected in the financial statements at June 30, 2015. Complete financial statements for the Commission may be obtained from the following address:

Lake Wylie Marine Commission  
P.O. Box 35008  
Charlotte, NC 28235

The Charlotte-Mecklenburg Historic Landmarks Commission (HLC) was established in 1973 by a resolution adopted by the City of Charlotte and the County. The fundamental purpose of the Commission is to recommend the designation of properties (real and personal) for historic landmark designation and to secure the preservation of same through exercising design review and through buying and selling endangered historic landmarks. The County appoints six of the 13 members of the HLC. The County provided \$258,263 to the HLC in fiscal year 2015 for operations for historic site preservation.

Charlotte-Mecklenburg Historic Landmarks Commission  
2100 Randolph Road  
Charlotte, NC 28207

## 19. Conduit Debt Obligation

In December 2001, the County issued \$16,480,000 Multifamily Housing Revenue Bonds on behalf of Sycamore Green, LLC for the acquisition, construction and equipping of a low and moderate income multifamily rental housing development. These bonds are secured by rents from the property and a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$14,405,000 at June 30, 2015 are not reported as liabilities in the accompanying financial statements.

In May 2003, the County issued \$9,390,000 Multifamily Housing Revenue Bonds on behalf of LR Charlotte Limited Partnership for the acquisition, rehabilitation and equipping of a low and moderate income multifamily rental housing development. These bonds are secured by rents from the property and a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these

MECKLENBURG COUNTY, NORTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

bonds. Accordingly, the outstanding bonds in the amount of \$7,840,000 at June 30, 2015 are not reported as liabilities in the accompanying financial statements.

In September 2003, the County issued \$4,640,000 Multifamily Housing Revenue Bonds on behalf of BARRINGTON OAKS, LLC for the acquisition, rehabilitation and equipping of a low and moderate income multifamily rental housing development. These bonds are secured by rents from the property and a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$3,865,000 at June 30, 2015 are not reported as liabilities in the accompanying financial statements.

## **20. Related Organization**

The Mecklenburg County Industrial Facilities and Pollution Control Financing Authority (the Authority) was created in 1976. The seven-member board is appointed by the Board of County Commissioners. The purpose of the Authority is to assist corporations in financing industrial and manufacturing facilities for the purpose of providing employment or increasing below-average manufacturing wages. Any financing that occurs is an obligation of the corporation, not an obligation of either the County or this Authority. Companies pay application fees which provide operating funds for the Authority.

## **21. Prior Period Adjustment**

The County implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions* (an amendment of GASB No. 27) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68 in the fiscal year ending June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$26,819,445 and \$396,477, respectively.

## **22. Subsequent Event**

The County has evaluated subsequent events through November 23, 2015, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.



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## Required Supplementary Information

Additional required data regarding the Law Enforcement  
Special Separation Allowance, Other Post  
Employment Benefits, Local Governmental Employees'  
Retirement System and Register of Deeds'  
Supplemental Pension Fund.





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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SEPARATION ALLOWANCE FOR LAW ENFORCEMENT OFFICERS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ANALYSIS OF FUNDING PROGRESS  
 LAST TEN YEARS

Year Ended Dec. 31,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c)	UAAL as a % of Covered Payroll ((b-a)/c)
2014	-	\$ 11,520,235	\$ 11,520,235	0.00 %	\$ 18,759,543	61.41 %
2013	-	10,464,690	10,464,690	0.00	18,444,954	56.73
2012	-	9,874,484	9,874,484	0.00	17,482,456	56.48
2011	-	9,430,333	9,430,333	0.00	17,098,231	55.15
2010	-	8,527,458	8,527,458	0.00	16,258,376	52.45
2009	-	9,378,607	9,378,607	0.00	18,435,179	50.87
2008	-	7,055,897	7,055,897	0.00	18,091,372	39.00
2007	-	6,404,425	6,404,425	0.00	16,818,600	38.08
2006	-	5,512,805	5,512,805	0.00	15,391,588	35.82
2005	-	4,809,650	4,809,650	0.00	14,732,103	32.65



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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SEPARATION ALLOWANCE FOR LAW ENFORCEMENT OFFICERS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2014	\$ 1,330,232	58.31 %
2013	1,062,138	54.33
2012	991,500	62.86
2011	880,841	71.17
2010	954,170	50.27
2009	766,885	58.80
2008	685,347	67.20
2007	605,848	66.70
2006	548,936	66.15
2005	576,425	42.05

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	16 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% - 7.85%
Cost-of-living adjustments	None

\* Includes inflation at 3.00%

B - 3  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 POST EMPLOYMENT BENEFIT HEALTHCARE PLAN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ANALYSIS OF FUNDING PROGRESS  
 LAST FIVE YEARS

Actuarial Valuation Date January 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c)	UAAL as a % of Covered Payroll ((b-a)/c)
2014	\$ 67,353,607	\$ 466,390,344	\$ 399,036,737	14.44 %	\$ 260,514,733	153.17 %
2013	48,536,553	384,081,661	335,545,108	12.64	227,162,263	147.71
2012	38,317,546	463,282,925	424,965,379	8.27	210,482,384	201.90
2011	32,792,954	387,947,405	355,154,451	8.45	214,550,188	165.53
2010	30,403,865	383,025,283	352,621,418	7.94	214,800,000	164.16

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Complete information regarding the County's plan is located in the notes to the financial statements.

B - 4  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 POST EMPLOYMENT BENEFIT HEALTHCARE PLAN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contribution
2015	\$ 46,801,044	\$ 17,064,513	36.46 %
2014	39,000,835	16,593,244	42.55
2013	48,983,161	15,476,590	31.60
2012	39,173,259	15,663,056	39.98
2011	32,253,235	6,788,811	21.05

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar amount
Remaining amortization period	27 years
Asset valuation method	Fair market value of assets
Actuarial assumptions:	
Investment rate of return*	6.50%
Projected salary increases*	0.00%
Healthcare cost trend rate*	
	Post-65: 9.25% graded to 4.50% over 50 years
Cost-of-living adjustments	None

\* Includes an inflation assumption of 0.0%

Complete information regarding the County's plan is located in the notes to the financial statements.

B - 5  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM  
 SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)  
 LAST TWO FISCAL YEARS\*

	2015	2014
County's proportion of the net pension asset (liability)	4.36%	(3.91%)
County's proportionate share of the net pension asset (liability)	\$ 25,698,614	\$ (47,122,077)
County's covered-employee payroll	269,298,292	260,514,733
County's proportionate share of the net pension asset (liability) as a percentage of its covered-employee payroll	9.54%	(18.09%)
Plan fiduciary net position as a percentage of the total pension liability	102.47%	94.16%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

B - 6  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM  
 SCHEDULE OF COUNTY CONTRIBUTIONS  
 LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 18,316,876	\$ 17,873,069
Contributions in relation to the contractually required contribution	<u>18,316,876</u>	<u>17,873,069</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 269,298,292	\$ 260,514,733
Contributions as a percentage of covered-employee payroll	6.80%	6.86%

B - 7  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND  
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)  
 LAST TWO FISCAL YEARS\*

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension asset (liability)	8.72%	9.53%
County's proportionate share of the net pension asset (liability)	\$ 1,976,785	\$ 2,036,655
County's covered-employee payroll	1,419,220	1,460,174
County's proportionate share of the net pension asset (liability) as a percentage of its covered-employee payroll	139.29%	139.48%
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND  
 SCHEDULE OF COUNTY CONTRIBUTIONS  
 LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 70,729	\$ 71,206
Contributions in relation to the contractually required contribution	<u>70,729</u>	<u>71,206</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 1,419,220	\$ 1,460,174
Contributions as a percentage of covered-employee payroll	4.98%	4.88%

## Combining and Individual Fund Statements and Schedules

Provides detailed statements for the nonmajor Special Revenue and Capital Projects Funds and the Agency Fiduciary Funds, budget to actual schedules for the Special Revenue Funds having annual budgets, Debt Service Fund, the Enterprise Funds and other supporting statements and schedules.







## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds account for proceeds of revenue sources that are restricted to expenditures for specific purposes. These funds are established under the provisions of the North Carolina General Statutes:

**Storm Water Management:** Accounts for fees and expenditures designated for flood control, drainage, and storm water management.

**Law Enforcement Service District:** Accounts for the ad valorem taxes for the law enforcement service district which are levied in the unincorporated areas of the County.

**Transit One-Half Cent Sales Tax:** Accounts for revenue from a one-half cent sales tax levied to fund transit projects which are part of the 2025 Integrated Transit/Land Use Plan for Charlotte-Mecklenburg.

**Scrap Tire Disposal:** Accounts for funds designated for the disposal of scrap tires.

**Discarded White Goods:** Accounts for funds designated for the management of discarded white goods.

**Register of Deeds:** Accounts for the 10% of collected fees required which are required by law to be expended for computer and imaging technology for the Register of Deeds office.

**Fire Service Districts:** Accounts for the ad valorem taxes for the fire protection service districts which are levied in the unincorporated areas of the County.

### CAPITAL PROJECTS FUNDS

Capital Projects Funds account for proceeds of bond issues and all other resources used for the purpose of constructing, reconstructing or acquiring permanent or semi-permanent capital improvements. These funds are used to provide a formal mechanism to ensure that designated revenues are applied only for the purposes intended.

**2000A Public Improvement Fund:** This fund is used to account for the construction of and renovations to Parks, Government, and Law Enforcement Facilities.

**2011A Public Improvement Fund:** This fund is for the construction and renovation of School facilities, Land acquisition along with Parks and Greenways.

**2013A Public Improvement Fund:** This fund is for the construction and renovation of School facilities, Land acquisition along with Parks and Greenways also the construction and renovation of Community College.

**2015A Public Improvement Fund:** This fund is for the acquisition or construction of major capital facilities for schools and the purchase of land.

**2015C Public Improvement Fund:** This fund is for the acquisition or construction of major capital facilities for schools and the purchase of land.

**Certificates of Participation Fund:** This fund is for the construction and renovation of Community College, School, County, Law Enforcement, Courthouse facilities and Parks.

**Capital Reserve Fund:** Accounts for the renovation and improvement of County facilities, Community College facilities, Library facilities and Park improvements.

**Other Capital Funding:** Accounts for acquisition and renovation of various historic facilities, Grants and Pay-As-You-Go funding.

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MECKLENBURG COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 40,251,107	\$ 152,356,130	\$ 192,607,237
Accrued interest receivable	61,355	3,228	64,583
Accounts receivable	15,470,575	2,229,171	17,699,746
Taxes receivable	801,435	-	801,435
Less allowance for uncollectible taxes	(185,410)	-	(185,410)
Advance to other governments	-	60,809	60,809
<b>TOTAL ASSETS</b>	<b>\$ 56,399,062</b>	<b>\$ 154,649,338</b>	<b>\$ 211,048,400</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 11,943,303	\$ 8,246,355	\$ 20,189,658
<b>Total Liabilities</b>	<b>11,943,303</b>	<b>8,246,355</b>	<b>20,189,658</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>616,025</b>	<b>-</b>	<b>616,025</b>
<b>Fund Balance</b>			
<b>Restricted</b>			
Stabilization by State Statute	20,417,199	50,811,921	71,229,120
Land Use and Environmental Services	3,342,208	-	3,342,208
Capital Projects	-	31,179,205	31,179,205
<b>Committed</b>			
Land Use and Environmental Services	28,462,499	-	28,462,499
Public Safety	1,582,360	-	1,582,360
Fire Protection	1,581,228	-	1,581,228
Capital Projects	-	77,049,076	77,049,076
<b>Unassigned</b>	<b>(11,545,760)</b>	<b>(12,637,219)</b>	<b>(24,182,979)</b>
<b>Total Fund Balances</b>	<b>43,839,734</b>	<b>146,402,983</b>	<b>190,242,717</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 56,399,062</b>	<b>\$ 154,649,338</b>	<b>\$ 211,048,400</b>

C - 2  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Law Enforcement Service District taxes	\$ 13,374,744	\$ -	\$ 13,374,744
Transit one-half cent sales tax	43,903,754	-	43,903,754
Fire Service Districts taxes	4,027,318	-	4,027,318
Intergovernmental	1,752,708	1,638,160	3,390,868
Charges for services	16,571,436	1,071,974	17,643,410
Interest earned on investments	183,583	(4,694)	178,889
Other	490,911	2,949,915	3,440,826
Total Revenues	<u>80,304,454</u>	<u>5,655,355</u>	<u>85,959,809</u>
EXPENDITURES			
Land Use and Environmental Services	9,867,271	-	9,867,271
Public Safety	17,387,945	-	17,387,945
Business Partners	43,903,754	-	43,903,754
Debt Service:			
Principal	243,416	-	243,416
Interest	19,100	-	19,100
Capital Outlay	4,130,132	187,648,119	191,778,251
Total Expenditures	<u>75,551,618</u>	<u>187,648,119</u>	<u>263,199,737</u>
REVENUES OVER / (UNDER) EXPENDITURES	4,752,836	(181,992,764)	(177,239,928)
OTHER FINANCING SOURCES (USES)			
Sale of bonds	-	100,000,000	100,000,000
Premium on financing	-	11,394,700	11,394,700
Gain on sale of capital assets	-	600,452	600,452
Transfers to other funds	(393,034)	-	(393,034)
Transfers from other funds	-	102,845,590	102,845,590
Total Other Financing Sources (Uses)	<u>(393,034)</u>	<u>214,840,742</u>	<u>214,447,708</u>
NET CHANGE IN FUND BALANCE	4,359,802	32,847,978	37,207,780
FUND BALANCES - BEGINNING OF YEAR	39,479,932	113,555,005	153,034,937
FUND BALANCES - END OF YEAR	<u>\$ 43,839,734</u>	<u>\$ 146,402,983</u>	<u>\$ 190,242,717</u>

C - 3  
MECKLENBURG COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
JUNE 30, 2015

	Storm Water Management	Law Enforcement Service District	Transit One-half Cent Sales Tax	Scrap Tire Disposal	Discarded White Goods	Register of Deeds	Fire Service Districts Funds	Total Special Revenue Funds
<b>ASSETS</b>								
Cash and investments	\$ 32,389,320	\$ 1,582,550	\$ -	\$ 809,774	\$ 1,614,879	\$ 2,273,325	\$ 1,581,259	\$ 40,251,107
Accrued interest receivable	57,468	2,535	-	1,352	-	-	-	61,355
Accounts receivable	3,796,211	74,468	11,545,760	30,896	-	-	23,240	15,470,575
Taxes receivable	-	713,359	-	-	-	-	88,076	801,435
Less allowance for uncollectible taxes	-	(179,000)	-	-	-	-	(6,410)	(185,410)
<b>TOTAL ASSETS</b>	<b>\$ 36,242,999</b>	<b>\$ 2,193,912</b>	<b>\$ 11,545,760</b>	<b>\$ 842,022</b>	<b>\$ 1,614,879</b>	<b>\$ 2,273,325</b>	<b>\$ 1,686,165</b>	<b>\$ 56,399,062</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 377,265	\$ 188	\$ 11,545,760	\$ -	\$ 16,661	\$ 3,398	\$ 31	\$ 11,943,303
<b>Total Liabilities</b>	<b>377,265</b>	<b>188</b>	<b>11,545,760</b>	<b>-</b>	<b>16,661</b>	<b>3,398</b>	<b>31</b>	<b>11,943,303</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>534,359</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,666</b>	<b>616,025</b>
<b>Fund Balance</b>								
<b>Restricted:</b>								
Stabilization by State Statute	8,607,127	77,003	11,545,760	155,026	9,041	-	23,240	20,417,197
Land Use and Environmental Services	1,072,281	-	-	-	-	2,269,927	-	3,342,208
<b>Committed:</b>								
Land Use and Environmental Services	26,186,326	-	-	686,996	1,589,177	-	-	28,462,499
Public Safety	-	1,582,362	-	-	-	-	-	1,582,362
Fire Protection	-	-	-	-	-	-	1,581,228	1,581,228
<b>Unassigned:</b>	<b>-</b>	<b>-</b>	<b>(11,545,760)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,545,760)</b>
<b>Total Fund Balances</b>	<b>35,865,734</b>	<b>1,659,365</b>	<b>-</b>	<b>842,022</b>	<b>1,598,218</b>	<b>2,269,927</b>	<b>1,604,468</b>	<b>43,839,734</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 36,242,999</b>	<b>\$ 2,193,912</b>	<b>\$ 11,545,760</b>	<b>\$ 842,022</b>	<b>\$ 1,614,879</b>	<b>\$ 2,273,325</b>	<b>\$ 1,686,165</b>	<b>\$ 56,399,062</b>

C - 4  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	Storm Water Management	Law Enforcement Service District	Transit One-half Cent Sales Tax	Scrap Tire Disposal	Discarded White Goods	Register of Deeds	Fire Service Districts Funds	Total Special Revenue Funds
<b>REVENUES</b>								
Law Enforcement Service District taxes	\$ -	\$ 13,374,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,374,744
Transit one-half cent sales tax	-	-	43,903,754	-	-	-	-	43,903,754
Fire Service Districts taxes	-	-	-	-	-	-	4,027,318	4,027,318
Intergovernmental	376,596	-	-	1,376,112	-	-	-	1,752,708
Charges for services	15,985,740	-	-	-	-	585,696	-	16,571,436
Interest earned on investments	170,156	9,488	-	3,939	-	-	-	183,583
Other	454,760	-	-	-	36,151	-	-	490,911
Total Revenues	<u>16,987,252</u>	<u>13,384,232</u>	<u>43,903,754</u>	<u>1,380,051</u>	<u>36,151</u>	<u>585,696</u>	<u>4,027,318</u>	<u>80,304,454</u>
<b>EXPENDITURES</b>								
Land Use and Environmental Services	8,268,307	-	-	1,177,221	346,761	74,982	-	9,867,271
Public Safety	-	13,863,573	-	-	-	-	3,524,372	17,387,945
Business Partners	-	-	43,903,754	-	-	-	-	43,903,754
Debt Service:								
Principal	243,416	-	-	-	-	-	-	243,416
Interest	19,100	-	-	-	-	-	-	19,100
Capital Outlay	4,129,172	-	-	-	-	960	-	4,130,132
Total Expenditures	<u>12,659,995</u>	<u>13,863,573</u>	<u>43,903,754</u>	<u>1,177,221</u>	<u>346,761</u>	<u>75,942</u>	<u>3,524,372</u>	<u>75,551,618</u>
REVENUES OVER / (UNDER) EXPENDITURES	<u>4,327,257</u>	<u>(479,341)</u>	<u>-</u>	<u>202,830</u>	<u>(310,610)</u>	<u>509,754</u>	<u>502,946</u>	<u>4,752,836</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers to other funds	(393,034)	-	-	-	-	-	-	(393,034)
TOTAL OTHER FINANCING SOURCES	<u>(393,034)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(393,034)</u>
<b>EXCESS / (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER / (UNDER) EXPENDITURES</b>	<u>3,934,223</u>	<u>(479,341)</u>	<u>-</u>	<u>202,830</u>	<u>(310,610)</u>	<u>509,754</u>	<u>502,946</u>	<u>4,359,802</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>31,931,511</u>	<u>2,138,706</u>	<u>-</u>	<u>639,192</u>	<u>1,908,828</u>	<u>1,760,173</u>	<u>1,101,522</u>	<u>39,479,932</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 35,865,734</u>	<u>\$ 1,659,365</u>	<u>\$ -</u>	<u>\$ 842,022</u>	<u>\$ 1,598,218</u>	<u>\$ 2,269,927</u>	<u>\$ 1,604,468</u>	<u>\$ 43,839,734</u>

C - 5  
MECKLENBURG COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
JUNE 30, 2015

	2000A Public Improvement	2011A Public Improvement	2013A Public Improvement	2015A Public Improvement	2015C Public Improvement	Certificates of Participation	Capital Reserve	Other Capital Funding	Eliminations Debit/(Credit)	Total Capital Projects
<b>ASSETS</b>										
Cash and investments	\$ 18,008	\$ 5,097,719	\$ 23,813,718	\$ 8,404,330	\$ -	\$ 632,777	\$ 49,476,542	\$ 64,913,036	\$ -	\$ 152,356,130
Interest receivable	-	3,228	-	-	-	-	-	-	-	3,228
Accounts receivable	-	-	-	-	-	50,322	1,297,622	881,227	-	2,229,171
Advance to other governments	-	-	-	-	-	-	60,809	-	-	60,809
Due from other funds	-	-	-	-	-	-	-	11,614,505	(11,614,505)	-
<b>TOTAL ASSETS</b>	<b>\$ 18,008</b>	<b>\$ 5,100,947</b>	<b>\$ 23,813,718</b>	<b>\$ 8,404,330</b>	<b>\$ -</b>	<b>\$ 683,099</b>	<b>\$ 50,834,973</b>	<b>\$ 77,408,768</b>	<b>\$ (11,614,505)</b>	<b>\$ 154,649,338</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts payable and accrued liabilities	\$ -	\$ 156,641	\$ 2,518,775	\$ 2,535,469	\$ 870,085	\$ -	\$ 1,318,098	\$ 847,287	\$ -	\$ 8,246,355
Due to other fund	-	-	-	-	11,614,505	-	-	-	11,614,505	-
<b>Total Liabilities</b>	<b>-</b>	<b>156,641</b>	<b>2,518,775</b>	<b>2,535,469</b>	<b>12,484,590</b>	<b>-</b>	<b>1,318,098</b>	<b>847,287</b>	<b>11,614,505</b>	<b>8,246,355</b>
<b>Fund Balances</b>										
<b>Restricted</b>										
Stabilization by State Statute	-	934,579	774,753	-	-	57,443	9,125,681	39,919,465	-	50,811,921
Capital Projects	18,008	4,009,727	20,520,190	5,868,861	-	625,656	60,809	75,954	-	31,179,205
<b>Committed</b>										
Capital Projects	-	-	-	-	-	-	40,330,385	36,718,691	-	77,049,076
Unassigned	-	-	-	-	(12,484,590)	-	-	(152,629)	-	(12,637,219)
<b>Total Fund Balances</b>	<b>18,008</b>	<b>4,944,306</b>	<b>21,294,943</b>	<b>5,868,861</b>	<b>(12,484,590)</b>	<b>683,099</b>	<b>49,516,875</b>	<b>76,561,481</b>	<b>-</b>	<b>146,402,983</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 18,008</b>	<b>\$ 5,100,947</b>	<b>\$ 23,813,718</b>	<b>\$ 8,404,330</b>	<b>\$ -</b>	<b>\$ 683,099</b>	<b>\$ 50,834,973</b>	<b>\$ 77,408,768</b>	<b>\$ 11,614,505</b>	<b>\$ 154,649,338</b>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	2000A Public Improvement	2011A Public Improvement	2011B Qualified School Construction Bonds	2013A Public Improvement	2015A Public Improvement	2015C Public Improvement	Certificates of Participation	Capital Reserve	Other Capital Funding	Total Capital Projects
Project Authorization	\$ 34,000,000	\$ 55,393,762	\$ 51,047,813	\$ 111,002,543	\$ 100,000,000	\$ -	\$ 672,520,000	\$ 159,693,619	\$ 445,992,348	\$ 1,629,650,085
Prior Year's Revenues	34,000,000	55,393,762	51,047,813	111,002,543	-	-	670,078,982	154,967,620	439,630,957	1,516,121,677
Prior Year's Expenditures	33,981,992	43,564,140	50,571,143	71,024,457	36,934,859	-	669,395,519	106,864,313	390,230,249	1,402,566,672
Fund Balances - Beginning of Year	18,008	11,829,622	476,670	39,978,086	(36,934,859)	-	683,463	48,103,307	49,400,708	113,555,005
<b>REVENUES</b>										
Intergovernmental										
Federal	-	-	-	-	-	-	-	37,179	1,269,909	1,307,088
State	-	-	-	-	-	-	-	33,307	297,765	331,072
Charges for services	-	-	-	-	-	-	-	1,071,974	-	1,071,974
Interest earned on investments	-	-	(4,870)	-	154	-	-	-	22	(4,694)
Other	-	-	-	-	-	-	-	954,168	1,995,747	2,949,915
Total Revenues	-	-	(4,870)	-	154	-	-	2,096,628	3,563,443	5,655,355
<b>EXPENDITURES</b>										
Management Services										
County Buildings	-	-	-	-	-	-	364	11,131,837	22,714,793	33,846,994
Land	-	-	-	-	-	-	-	(116,592)	5,959,509	5,842,917
Land Use and Environmental Services										
Community Development	-	-	-	-	-	-	-	-	878,699	878,699
Historic Preservation	-	-	-	-	-	-	-	-	390,026	390,026
Community Services										
Park and Recreation Facilities	-	4,752,429	-	1,140,924	-	-	-	3,394,034	7,759,249	17,046,636
Library Facilities	-	-	-	-	-	-	-	1,500,243	106,038	1,606,281
Detention and Court Support Services										
Court Facilities	-	-	-	-	-	-	-	2,500	230,118	232,618
Jail / Detention Facilities	-	-	-	-	-	-	-	1,955,387	712,618	2,668,005
Business Partners										
Community College Facilities	-	-	-	-	-	-	-	1,079,521	19,972,104	21,051,625
School Facilities	-	2,132,887	471,800	17,542,219	68,591,134	12,484,590	-	-	2,861,688	104,084,318
Total Expenditures	-	6,885,316	471,800	18,683,143	68,591,134	12,484,590	364	18,946,930	61,584,842	187,648,119
REVENUES UNDER EXPENDITURES	-	(6,885,316)	(476,670)	(18,683,143)	(68,590,980)	(12,484,590)	(364)	(16,850,302)	(58,021,399)	(181,992,764)
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of bonds	-	-	-	-	100,000,000	-	-	-	-	100,000,000
Premium on financing	-	-	-	-	11,394,700	-	-	-	-	11,394,700
Gain on sale of capital assets	-	-	-	-	-	-	-	5,870	594,582	600,452
Transfer from other funds	-	-	-	-	-	-	-	18,258,000	84,587,590	102,845,590
Total Other Financing Sources (Uses)	-	-	-	-	111,394,700	-	-	18,263,870	85,182,172	214,840,742
NET CHANGE IN FUND BALANCES	-	(6,885,316)	(476,670)	(18,683,143)	42,803,720	(12,484,590)	(364)	1,413,568	27,160,773	32,847,978
FUND BALANCES - END OF YEAR	\$ 18,008	\$ 4,944,306	\$ -	\$ 21,294,943	\$ 5,868,861	\$ (12,484,590)	\$ 683,099	\$ 49,516,875	\$ 76,561,481	\$ 146,402,983



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 MECKLENBURG COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 AGENCY FIDUCIARY FUNDS  
 JUNE 30, 2015

	Municipalities' Taxes	Employees' Insurance	Fee Collection for State	Food and Beverage Tax	Other	Total
<b>ASSETS</b>						
Cash and investments	\$ 11,944,453	\$ 55,268,227	\$ 3,738,387	\$ 178,583	\$ 598,254	\$ 71,727,904
Accounts receivable	-	4,943	-	-	-	4,943
Due from other governmental agencies	6,638,852	-	-	-	-	6,638,852
<b>TOTAL ASSETS</b>	<b>\$ 18,583,305</b>	<b>\$ 55,273,170</b>	<b>\$ 3,738,387</b>	<b>\$ 178,583</b>	<b>\$ 598,254</b>	<b>\$ 78,371,699</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ -	\$ 55,273,170	\$ -	\$ -	\$ 598,254	\$ 55,871,424
Due to other governmental agencies	18,583,305	-	3,738,387	178,583	-	22,500,275
<b>TOTAL LIABILITIES</b>	<b>\$ 18,583,305</b>	<b>\$ 55,273,170</b>	<b>\$ 3,738,387</b>	<b>\$ 178,583</b>	<b>\$ 598,254</b>	<b>\$ 78,371,699</b>

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MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>Municipalities' Taxes</b>				
ASSETS				
Cash and investments	\$ 3,118,476	\$ 917,136,559	\$ (908,310,582)	\$ 11,944,453
Accounts receivables	4,269,287	-	(4,269,287)	-
Paid to other governmental agencies	-	513,007,658	(513,007,658)	-
Due from other governmental agencies	8,393	6,638,852	(8,393)	6,638,852
TOTAL ASSETS	<u>\$ 7,396,156</u>	<u>\$ 1,436,783,069</u>	<u>\$ (1,425,595,920)</u>	<u>\$ 18,583,305</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,341,918	\$ -	\$ (2,341,918)	\$ -
Due to other governmental agencies	5,054,238	972,312,341	(958,783,274)	18,583,305
TOTAL LIABILITIES	<u>\$ 7,396,156</u>	<u>\$ 972,312,341</u>	<u>\$ (961,125,192)</u>	<u>\$ 18,583,305</u>
<b>Employees' Insurance</b>				
ASSETS				
Cash and investments	\$ 52,321,057	\$ 240,682,081	\$ (237,734,911)	\$ 55,268,227
Accounts receivables	2,402	69,568	(67,027)	4,943
TOTAL ASSETS	<u>\$ 52,323,459</u>	<u>\$ 240,751,649</u>	<u>\$ (237,801,938)</u>	<u>\$ 55,273,170</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 52,323,459	\$ 266,337,746	\$ (263,388,035)	\$ 55,273,170
TOTAL LIABILITIES	<u>\$ 52,323,459</u>	<u>\$ 266,337,746</u>	<u>\$ (263,388,035)</u>	<u>\$ 55,273,170</u>
<b>Fee Collection for State</b>				
ASSETS				
Cash and investments	\$ 3,690,658	\$ 15,397,696	\$ (15,349,967)	\$ 3,738,387
TOTAL ASSETS	<u>\$ 3,690,658</u>	<u>\$ 15,397,696</u>	<u>\$ (15,349,967)</u>	<u>\$ 3,738,387</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 3,660,179	\$ -	\$ (3,660,179)	\$ -
Due to other governmental agencies	-	34,298,798	(30,560,411)	3,738,387
Due to NC Department of Motor Vehicles	30,479	-	(30,479)	-
TOTAL LIABILITIES	<u>\$ 3,690,658</u>	<u>\$ 34,298,798</u>	<u>\$ (34,251,069)</u>	<u>\$ 3,738,387</u>
<b>Food and Beverage Tax</b>				
ASSETS				
Cash and investments	\$ 122,278	\$ 28,208,139	\$ (28,151,834)	\$ 178,583
Paid to other governmental agencies	-	27,875,741	(27,875,741)	-
TOTAL ASSETS	<u>\$ 122,278</u>	<u>\$ 56,083,880</u>	<u>\$ (56,027,575)</u>	<u>\$ 178,583</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 113,885	\$ -	\$ (113,885)	\$ -
Due to other governmental agencies	8,393	28,019,879	(27,849,689)	178,583
TOTAL LIABILITIES	<u>\$ 122,278</u>	<u>\$ 28,019,879</u>	<u>\$ (27,963,574)</u>	<u>\$ 178,583</u>
<b>Other</b>				
ASSETS				
Cash and investments	\$ 652,618	\$ 1,076,814	\$ (1,131,178)	\$ 598,254
TOTAL ASSETS	<u>\$ 652,618</u>	<u>\$ 1,076,814</u>	<u>\$ (1,131,178)</u>	<u>\$ 598,254</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 652,618	\$ 642,453	\$ (696,817)	\$ 598,254
TOTAL LIABILITIES	<u>\$ 652,618</u>	<u>\$ 642,453</u>	<u>\$ (696,817)</u>	<u>\$ 598,254</u>
<b>Totals - All Agency Funds</b>				
ASSETS				
Cash and investments	\$ 59,905,087	\$ 1,202,501,289	\$ (1,190,678,472)	\$ 71,727,904
Accounts receivables	4,271,689	69,568	(4,336,314)	4,943
Paid to other governmental agencies	-	540,883,399	(540,883,399)	-
Due from other governmental agencies	8,393	6,638,852	(8,393)	6,638,852
TOTAL ASSETS	<u>\$ 64,185,169</u>	<u>\$ 1,750,093,108</u>	<u>\$ (1,735,906,578)</u>	<u>\$ 78,371,699</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 59,092,059	\$ 266,980,199	\$ (270,200,834)	\$ 55,871,424
Due to other governmental agencies	5,062,631	1,034,631,018	(1,017,193,374)	22,500,275
Due to NC Department of Motor Vehicles	30,479	-	(30,479)	-
TOTAL LIABILITIES	<u>\$ 64,185,169</u>	<u>\$ 1,301,611,217</u>	<u>\$ (1,287,424,687)</u>	<u>\$ 78,371,699</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GRANTS PROJECT FUND  
 FOR THE YEAR ENDING JUNE 30, 2015

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Project Authorization Balance
<b>U.S. Department of Housing and Urban Development</b>					
<b>Community Development Block Grant</b>					
<b>Block Grant # B-10-UC-37003</b>					
REVENUES					
Grant Proceeds	\$ 2,766,555	\$ 1,018,732	\$ 878,699	\$ 1,897,431	\$ 869,124
Total Revenues	<u>2,766,555</u>	<u>1,018,732</u>	<u>878,699</u>	<u>1,897,431</u>	<u>869,124</u>
EXPENDITURES					
Rehabilitation	2,266,833	682,917	769,616	1,452,533	814,300
Administration	499,722	335,815	109,083	444,898	54,824
Total Expenditures	<u>2,766,555</u>	<u>1,018,732</u>	<u>878,699</u>	<u>1,897,431</u>	<u>869,124</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>North Carolina Clean Water Management Trust</b>					
<b>McAlpine Creek</b>					
<b>Project 2006A - 405</b>					
REVENUES					
Grant Proceeds	\$ 845,000	\$ 845,000	\$ -	\$ 845,000	\$ -
City of Charlotte	1,350,000	1,268,698	70,130	1,338,828	11,172
Mecklenburg County	368,617	187,151	-	187,151	181,466
Total Revenues	<u>2,563,617</u>	<u>2,300,849</u>	<u>70,130</u>	<u>2,370,979</u>	<u>192,638</u>
EXPENDITURES					
Construction	2,563,617	2,300,849	70,130	2,370,979	192,638
Total Expenditures	<u>2,563,617</u>	<u>2,300,849</u>	<u>70,130</u>	<u>2,370,979</u>	<u>192,638</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>North Carolina Clean Water Management Trust</b>					
<b>Torrence Creek Restoration</b>					
<b>Project 2011-404</b>					
REVENUES					
Grant Proceeds	\$ 364,711	\$ 354,711	\$ -	\$ 354,711	\$ 10,000
Town of Huntersville	45,000	32,712	-	32,712	12,288
Mecklenburg County	593,089	416,841	-	416,841	176,248
Total Revenues	<u>1,002,800</u>	<u>804,264</u>	<u>-</u>	<u>804,264</u>	<u>198,536</u>
EXPENDITURES					
Construction	1,002,800	804,264	-	804,264	198,536
Total Expenditures	<u>1,002,800</u>	<u>804,264</u>	<u>-</u>	<u>804,264</u>	<u>198,536</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GRANTS PROJECT FUND  
 FOR THE YEAR ENDING JUNE 30, 2015  
 (CONTINUED)

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Project Authorization Balance
<b>Federal Department of Transportation</b>					
<b>Passed through N.C. Department of Transportation</b>					
<b>Barton Creek Greenway</b>					
<b>Project C-5537 CMS-1003-(119)</b>					
REVENUES					
Grant Proceeds	\$ 881,280	\$ 147,228	\$ 1,380	\$ 148,608	\$ 732,672
Total Revenues	<u>881,280</u>	<u>147,228</u>	<u>1,380</u>	<u>148,608</u>	<u>732,672</u>
EXPENDITURES					
Construction	881,280	147,228	1,380	148,608	732,672
Total Expenditures	<u>881,280</u>	<u>147,228</u>	<u>1,380</u>	<u>148,608</u>	<u>732,672</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>U.S. Department of Transportation</b>					
<b>Toby Creek Greenway Phase II</b>					
<b>Project C-5525</b>					
REVENUES					
Grant Proceeds	\$ 1,448,000	\$ 118,033	\$ 32,138	\$ 150,171	\$ 1,297,829
City of Charlotte	100,000	69,515	30,485	100,000	-
Mecklenburg County	262,000	-	-	-	262,000
Total Revenues	<u>1,810,000</u>	<u>187,548</u>	<u>62,623</u>	<u>250,171</u>	<u>1,559,829</u>
EXPENDITURES					
Construction	1,810,000	187,548	62,623	250,171	1,559,829
Total Expenditures	<u>1,810,000</u>	<u>187,548</u>	<u>62,623</u>	<u>250,171</u>	<u>1,559,829</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>Federal Department of Transportation</b>					
<b>Passed through N.C. Department of Transportation</b>					
<b>Little Sugar Creek Greenway</b>					
<b>Project EB-4715</b>					
REVENUES					
Grant Proceeds- Federal	\$ 5,248,000	\$ 4,753,937	\$ 153,417	\$ 4,907,354	\$ 340,646
Grant Proceeds- State	80,000	-	-	-	80,000
Mecklenburg County	1,108,000	-	-	-	1,108,000
Total Revenues	<u>6,436,000</u>	<u>4,753,937</u>	<u>153,417</u>	<u>4,907,354</u>	<u>1,528,646</u>
EXPENDITURES					
Construction	6,436,000	4,753,937	153,417	4,907,354	1,528,646
Total Expenditures	<u>6,436,000</u>	<u>4,753,937</u>	<u>153,417</u>	<u>4,907,354</u>	<u>1,528,646</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GRANTS PROJECT FUND  
 FOR THE YEAR ENDING JUNE 30, 2015  
 (CONCLUDED)

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Project Authorization Balance
<b>Federal Department of Transportation</b>					
<b>Passed through N.C. Department of Transportation</b>					
<b>Torrence Creek Greenway</b>					
<b>Project E-4954</b>					
REVENUES					
Grant Proceeds	\$ 400,000	\$ 400,000	\$ (82,931)	\$ 317,069	\$ 82,931
Mecklenburg County	200,000	8,151	191,849	200,000	-
Total Revenues	<u>600,000</u>	<u>408,151</u>	<u>108,918</u>	<u>517,069</u>	<u>82,931</u>
EXPENDITURES					
Grant	600,000	408,151	108,918	517,069	82,931
Total Expenditures	<u>600,000</u>	<u>408,151</u>	<u>108,918</u>	<u>517,069</u>	<u>82,931</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - STORM WATER MANAGEMENT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental		
Federal	\$ 420,000	\$ 41,843
State	-	242,911
Local	75,367	91,842
Charges for services	15,229,038	15,985,740
Interest earned on investments	-	170,156
Other	-	454,760
Total Revenues	<u>15,724,405</u>	<u>16,987,252</u>
EXPENDITURES		
Land Use and Environmental Services:		
Stormwater	9,588,468	8,268,307
Debt:		
Principal	243,416	243,416
Interest	19,126	19,100
Capital Outlay	6,756,625	4,129,172
Total Expenditures	<u>16,607,635</u>	<u>12,659,995</u>
OTHER FINANCING SOURCES (USES)		
Transfer in	1,276,264	-
Transfer out	<u>(393,034)</u>	<u>(393,034)</u>
Total Other Financing Sources (Uses)	<u>883,230</u>	<u>(393,034)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	3,934,223
FUND BALANCE - BEGINNING OF YEAR		31,931,511
FUND BALANCE - END OF YEAR		<u>\$ 35,865,734</u>

MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - LAW ENFORCEMENT SERVICE DISTRICT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Law Enforcement Service District taxes	\$ 13,131,498	\$ 13,374,744
Interest earned on investments	-	9,488
Total Revenues	<u>13,131,498</u>	<u>13,384,232</u>
EXPENDITURES		
Public Safety	<u>13,863,573</u>	<u>13,863,573</u>
Total Expenditures	<u>13,863,573</u>	<u>13,863,573</u>
OTHER FINANCING SOURCES (USES)		
Appropriated fund balance	<u>732,075</u>	-
Total Other Financing Sources	<u>732,075</u>	-
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	(479,341)
FUND BALANCE - BEGINNING OF YEAR		<u>2,138,706</u>
FUND BALANCE - END OF YEAR		<u>\$ 1,659,365</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - TRANSIT ONE-HALF CENT SALES TAX SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Transit one-half cent sales tax	<u>\$ 43,903,754</u>	<u>\$ 43,903,754</u>
Total Revenues	<u>43,903,754</u>	<u>43,903,754</u>
EXPENDITURES		
Business Partners	<u>43,903,754</u>	<u>43,903,754</u>
Total Expenditures	<u>43,903,754</u>	<u>43,903,754</u>
REVENUES OVER EXPENDITURES	<u><u>\$ -</u></u>	<u>-</u>
FUND BALANCE - BEGINNING OF YEAR		<u>-</u>
FUND BALANCE - END OF YEAR		<u><u>\$ -</u></u>



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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - SCRAP TIRE DISPOSAL SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental		
State	\$ 1,199,000	\$ 1,376,112
Interest earned on investments	-	3,939
Total Revenues	<u>1,199,000</u>	<u>1,380,051</u>
EXPENDITURES		
Land Use and Environmental Services	<u>1,300,000</u>	<u>1,177,221</u>
Total Expenditures	<u>1,300,000</u>	<u>1,177,221</u>
REVENUES OVER EXPENDITURES	(101,000)	202,830
OTHER FINANCING SOURCES (USES)		
Appropriated fund balance	<u>101,000</u>	-
Total Other Financing Uses	<u>101,000</u>	-
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	202,830
FUND BALANCE - BEGINNING OF YEAR		<u>639,192</u>
FUND BALANCE - END OF YEAR		<u>\$ 842,022</u>

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 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - DISCARDED WHITE GOODS SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental		
State	\$ 50,000	\$ -
Other	-	36,151
Total Revenues	<u>50,000</u>	<u>36,151</u>
EXPENDITURES		
Land Use and Environmental Services	<u>346,761</u>	<u>346,761</u>
Total Expenditures	<u>346,761</u>	<u>346,761</u>
REVENUES OVER / (UNDER) EXPENDITURES	(296,761)	(310,610)
OTHER FINANCING SOURCES (USES)		
Appropriated fund balance	<u>296,761</u>	-
Total Other Financing Sources (Uses)	<u>296,761</u>	-
REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	(310,610)
FUND BALANCE - BEGINNING OF YEAR		<u>1,908,828</u>
FUND BALANCE - END OF YEAR		<u>\$ 1,598,218</u>

F - 6  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - REGISTER OF DEEDS SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Charges for services	<u>\$ 1,234,821</u>	<u>\$ 585,696</u>
Total Revenues	<u>1,234,821</u>	<u>585,696</u>
EXPENDITURES		
Land Use and Environmental Services	75,000	74,982
Capital Outlay	<u>1,159,821</u>	<u>960</u>
Total Expenditures	<u>1,234,821</u>	<u>75,942</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	509,754
FUND BALANCE - BEGINNING OF YEAR		<u>1,760,173</u>
FUND BALANCE - END OF YEAR		<u>\$ 2,269,927</u>

F - 7  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - FIRE SERVICE DISTRICTS SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Fire Service Districts taxes	<u>\$ 3,912,373</u>	<u>\$ 4,027,318</u>
Total Revenues	<u>3,912,373</u>	<u>4,027,318</u>
EXPENDITURES		
Public Safety	<u>3,912,373</u>	<u>3,524,372</u>
Total Expenditures	<u>3,912,373</u>	<u>3,524,372</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	502,946
FUND BALANCE - BEGINNING OF YEAR		<u>1,101,522</u>
FUND BALANCE - END OF YEAR		<u>\$ 1,604,468</u>

G - 1  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance (Positive) / Negative
REVENUES			
Property taxes	\$ 231,250,600	\$ 231,250,600	\$ -
Sales taxes	42,510,000	46,754,225	(4,244,225)
Intergovernmental	12,295,737	12,414,606	(118,869)
Interest earned on investments	500,000	1,022,398	(522,398)
Other	4,188,459	1,841,263	2,347,196
Total Revenues	<u>290,744,796</u>	<u>293,283,092</u>	<u>(2,538,296)</u>
EXPENDITURES			
Board of Education			
Debt service			
Principal payments	103,284,862	103,284,862	-
Interest	51,354,735	43,594,489	(7,760,246)
Central Piedmont Community College			
Debt service			
Principal payments	8,747,874	8,747,874	-
Interest	3,145,152	2,600,565	(544,587)
Debt Service			
Principal payments	45,571,304	45,571,304	-
Interest and fiscal charges	17,972,463	16,730,071	(1,242,392)
Debt service reduction	12,305,963	-	(12,305,963)
Total Expenditures	<u>242,382,353</u>	<u>220,529,165</u>	<u>(21,853,188)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER / (UNDER) EXPENDITURES	<u>48,362,443</u>	<u>72,753,927</u>	<u>(24,391,484)</u>
OTHER FINANCING SOURCES (USES)			
Refunding bond proceeds	120,025,000	120,025,000	-
Premium on financing	22,472,449	22,897,449	(425,000)
Payments to refunding escrow agent	(141,959,892)	(141,959,892)	-
Transfer Out	(48,900,000)	(48,900,000)	-
Total Other Financing Sources (Uses)	<u>(48,362,443)</u>	<u>(47,937,443)</u>	<u>(425,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>24,816,484</u>	<u>\$ (24,816,484)</u>
FUND BALANCE - BEGINNING OF YEAR		<u>156,767,402</u>	
FUND BALANCE - END OF YEAR		<u>\$ 181,583,886</u>	

H - 1  
MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF REVENUES AND EXPENSES - BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL  
SOLID WASTE OPERATING FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
REVENUES		
Residential Solid Waste fees	\$ 6,200,000	\$ 6,249,007
Recycling sales	6,482,504	7,752,060
Other	2,071,735	1,877,683
Total Revenues	<u>14,754,239</u>	<u>15,878,750</u>
EXPENDITURES		
Personnel services and employee benefits	5,028,637	4,965,602
Utilities	188,614	181,183
Supplies	1,726,963	1,336,304
Maintenance and repairs	1,004,421	893,158
Rental and occupancy charges	904,413	859,845
Contractual services	4,039,097	3,857,591
Postclosure reserve contribution	40,088	40,088
Total Expenditures	<u>12,932,233</u>	<u>12,133,771</u>
EXCESS REVENUES OVER EXPENDITURES	<u>1,822,006</u>	<u>3,744,979</u>
OTHER FINANCING SOURCES (USES)		
Grant revenue	93,649	113,909
Interest income	25,000	141,401
Interest expense	(464,000)	(436,081)
Debt principal	(720,000)	(720,000)
Loss on sale of capital assets	-	(108,609)
Transfer to other funds	(756,655)	(750,000)
Total Other Financing Sources (Uses)	<u>(1,822,006)</u>	<u>(1,759,380)</u>
EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	1,985,599
Reconciliation to full accrual basis:		
Current year deficiency of revenues and other financing sources (uses) over (under) expenditures:		
Landfill closure and postclosure reserve fund		(268,008)
Special obligation bond fund		(300,272)
Depreciation		(2,100,534)
Contributions to the pension plan in the current fiscal year		(72,352)
Pension expense		283,246
Bond principal		720,000
Amortization of premium		68,302
Capital outlay		<u>1,270,122</u>
Change in Net Position - Full Accrual Basis		<u>\$ 1,586,103</u>

H - 2  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 LANDFILL CLOSURE AND POSTCLOSURE RESERVE FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION FOR THE YEAR ENDED JUNE 30, 2015

	Project Authorization	Actual		
		Prior Years'	Current Year	Total to Date
REVENUES				
Fees and charges	\$ 3,666,820	\$ 3,669,994	\$ 818	\$ 3,670,812
Total Revenues	<u>3,666,820</u>	<u>3,669,994</u>	<u>818</u>	<u>3,670,812</u>
EXPENDITURES				
Landfill construction	15,231,922	13,916,320	925,679	14,841,999
Land improvements	9,380,000	8,810,159	369,768	9,179,927
Final development and postclosure costs	7,902,280	5,137,280	-	5,137,280
Total Expenditures	<u>32,514,202</u>	<u>27,863,759</u>	<u>1,295,447</u>	<u>29,159,206</u>
REVENUES UNDER EXPENDITURES	(28,847,382)	(24,193,765)	(1,294,629)	(25,488,394)
OTHER FINANCING SOURCES (USES)				
Interest earned on investments	-	1,762,841	52,675	1,815,516
Miscellaneous other - Gain on sale of capital assets	-	512,674	223,946	736,620
Operating transfer from Solid Waste Enterprise Fund	28,326,967	22,438,220	750,000	23,188,220
Appropriated fund balance	520,415	-	-	-
Total Other Financing Sources	<u>28,847,382</u>	<u>24,713,735</u>	<u>1,026,621</u>	<u>25,740,356</u>
EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 519,970</u>	<u>\$ (268,008)</u>	<u>\$ 251,962</u>

H - 3  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 SPECIAL OBLIGATION BOND FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Project Authorization	Prior Years'	Actual Current Year	Total to Date
REVENUES				
Interest earned on investment	\$ -	\$ 8,475	\$ 228	\$ 8,703
Total Revenues	-	8,475	228	8,703
EXPENDITURES				
Landfill construction	9,700,000	8,422,127	300,500	8,722,627
Landfill equipment	3,300,000	3,155,131	-	3,155,131
Total Expenditures	13,000,000	11,577,258	300,500	11,877,758
REVENUES OVER (UNDER) EXPENDITURES	(13,000,000)	(11,568,783)	(300,272)	(11,869,055)
OTHER FINANCING SOURCES (USES)				
Special obligation bonds issued	13,000,000	12,220,000	-	12,220,000
Premium on bonds issued	-	1,024,527	-	1,024,527
Bond discounts and fees	-	(225,278)	-	(225,278)
Total Other Financing Sources (Uses)	13,000,000	13,019,249	-	13,019,249
EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	\$ -	\$ 1,450,466	\$ (300,272)	\$ 1,150,194



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MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF REVENUES AND EXPENSES  
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL  
MECKLINK FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
REVENUES		
Intergovernmental		
Federal	\$ -	\$ 2,213,024
Other	-	(1,241)
Total Revenues	<u>-</u>	<u>2,211,783</u>
EXPENDITURES		
Utilities	4,000	3,895
Supplies	46,000	45,720
Claims	3,697,544	(4,046,429)
Maintenance and repairs	140,065	98,836
Rent	105,000	103,573
Other	499,000	478,147
Total Expenditures	<u>4,491,609</u>	<u>(3,316,258)</u>
REVENUES OVER / (UNDER) EXPENDITURES	<u>(4,491,609)</u>	<u>5,528,041</u>
OTHER FINANCING SOURCES (USES)		
Interest income	-	3,016
Loss on Sale of Fixed Assets	-	(342,700)
Transfer to General Fund	(12,980,817)	(12,980,816)
Appropriated fund balance	17,472,426	-
Total Other Financing Sources (Uses)	<u>4,491,609</u>	<u>(13,320,500)</u>
EXCESS REVENUES AND OTHER FINANCING SOURCES (USES) UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ (7,792,459)</u>

## Statistical

The tables in this section provide additional information regarding the County's financial performance and position over time.





## Statistical Section

The Statistical Section presents detailed information for the primary government in the following areas, as a context for understanding what the information in the Financial Section presents about the County's overall financial health:

**FINANCIAL TRENDS – Tables 1 through 5:** Information to help the reader understand how the County's financial performance and well-being have changed over time.

**REVENUE CAPACITY – Tables 6 through 11:** Information to help the reader assess the County's most significant local revenue sources.

**DEBT CAPACITY – Tables 12 through 17:** Information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

**DEMOGRAPHIC AND ECONOMIC DATA – Tables 18 and 19:** Indicators to help the reader understand the environment within which the County's financial activities take place.

**OPERATIONAL INFORMATION – Tables 20 through 22:** Service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Where possible, the tables cover ten years of data, and any data presented that is taken from outside the County's financial records notes the source of that data.

TABLE 1

MECKLENBURG COUNTY, NORTH CAROLINA  
NET POSITION BY COMPONENT  
FISCAL YEAR ENDED JUNE 30, 2015  
(Accrual Basis of Accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 719,935,112	\$ 644,429,509	\$ 582,274,527	\$ 554,597,039	\$ 499,385,868	\$ 463,345,867	\$ 531,275,904	\$ 304,151,869	\$ 356,614,648	\$ 310,896,185
Restricted	203,973,702	227,558,990	242,215,059	231,258,801	139,415,700	97,770,660	91,391,765	327,384,574	231,207,128	182,178,629
Unrestricted	(898,763,450)	(880,212,786)	(994,261,044)	(1,090,020,888)	(1,205,993,814)	(1,317,370,389)	(1,447,188,420)	(1,309,903,323)	(1,184,345,098)	(1,136,920,390)
Total Governmental Activities	25,145,364	(8,224,287)	(169,771,458)	(304,165,048)	(567,192,246)	(756,253,862)	(824,520,751)	(678,366,880)	(596,523,322)	(643,845,576)
<b>Business-type Activities</b>										
Net investment in capital assets	49,138,974	51,059,088	50,935,215	50,534,165	49,670,011	49,923,326	43,152,758	43,086,496	42,315,856	38,801,651
Restricted	1,150,480	6,338,310	5,666,805	16,601,737	8,424,632	8,374,290	8,618,465	7,887,353	7,103,682	6,136,846
Unrestricted	26,881,043	26,375,932	21,620,837	9,086,602	13,832,478	9,497,989	14,515,731	12,011,366	7,489,702	6,062,071
Total Business-type Activities	77,170,497	83,773,330	78,222,857	76,222,504	71,927,121	67,795,605	66,286,954	62,985,215	56,909,240	51,000,568
<b>Primary Government</b>										
Net investment in capital assets	769,074,086	695,488,597	633,209,742	605,131,204	549,055,879	513,269,193	574,428,662	347,238,365	398,930,504	349,697,836
Restricted	205,124,182	233,897,300	247,881,864	247,860,538	147,840,332	106,144,950	100,010,230	335,271,927	238,310,810	188,315,475
Unrestricted	(871,882,407)	(853,836,854)	(972,640,207)	(1,080,934,286)	(1,192,161,336)	(1,307,872,400)	(1,432,672,689)	(1,297,891,957)	(1,176,855,396)	(1,130,858,319)
Total Primary Government	\$ 102,315,861	\$ 75,549,043	\$ (91,548,601)	\$ (227,942,544)	\$ (495,265,125)	\$ (688,458,257)	\$ (758,233,797)	\$ (615,381,665)	\$ (539,614,082)	\$ (592,845,008)

TABLE 2  
MECKLENBURG COUNTY, NORTH CAROLINA  
CHANGE IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015  
(Accrual Basis of Accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses:</b>										
Governmental Activities:										
Customer Satisfaction and Management Services	\$ 17,064,982	\$ 15,100,191	\$ 13,609,321	\$ 13,385,404	\$ 14,828,864	\$ 10,390,706	\$ 10,140,258	\$ 9,432,409	\$ 9,386,599	\$ 8,036,587
Administrative Services	110,753,603	86,252,305	85,575,766	68,640,008	66,877,549	43,718,532	64,375,308	61,279,620	44,273,000	40,844,068
Financial Services	30,607,463	20,249,758	7,458,198	13,481,365	14,865,465	16,659,248	25,160,033	7,120,138	6,326,773	5,567,686
Land Use and Environmental Services	48,084,996	58,463,502	56,500,219	50,382,764	50,518,072	50,748,375	58,732,377	57,010,773	52,666,060	48,392,098
Community Services	69,097,109	65,201,301	66,071,031	62,443,524	74,658,684	81,446,000	88,287,519	81,126,150	72,095,240	69,988,542
Detention and Court Support Services	150,145,826	151,527,626	147,860,118	139,861,092	127,614,457	128,870,916	129,925,222	121,321,357	108,416,665	100,440,768
Health and Human Services	261,478,205	238,682,886	254,559,254	261,719,406	290,064,943	305,754,444	313,323,869	316,744,954	293,701,918	302,912,035
Business Partners	649,587,004	596,592,681	549,689,692	473,884,009	441,256,690	559,630,830	767,838,393	667,379,265	617,922,536	525,688,223
Interest on long term debt:										
general purpose	18,640,145	16,520,544	28,612,761	31,667,766	49,402,013	39,944,614	38,561,238	35,127,967	34,635,394	34,393,453
public schools	42,241,855	48,518,124	67,659,709	62,480,382	33,562,244	46,320,997	45,518,250	51,320,375	52,334,543	47,444,414
Total Governmental Activities Expenses	1,397,701,188	1,297,108,918	1,277,596,069	1,177,945,720	1,163,648,981	1,283,484,662	1,541,862,467	1,407,863,008	1,291,758,728	1,183,707,874
Business-type Activities:										
Solid Waste	14,748,600	14,568,483	13,811,381	14,553,401	13,272,793	12,970,552	13,679,582	13,504,089	12,491,152	11,840,983
MeckLink	(3,316,258)	183,627,246	86,953,809	-	-	-	-	-	-	-
Total Primary Government Expenses	1,409,133,530	1,495,304,647	1,378,361,259	1,192,499,121	1,176,921,774	1,296,455,214	1,555,542,049	1,421,367,097	1,304,249,880	1,195,548,857
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for services										
Customer Satisfaction and Management Services	3,216	-	-	5,149	-	1,250	400	-	4,425	3,000
Administrative Services	2,698,449	2,217,360	2,280,690	4,704,868	4,602,230	2,012,917	1,413,531	1,989,748	1,432,914	2,418,970
Financial Services	193,675	296,922	9,013	8,620	822,100	481,537	482,146	7,795	9,536	25,784
Land Use and Environmental Services	60,995,957	55,889,883	53,034,595	46,602,695	40,356,281	38,966,978	42,341,007	57,513,158	62,589,961	52,333,602
Community Services	6,043,086	6,214,931	6,202,031	4,745,409	4,590,010	4,821,374	5,031,383	5,108,761	4,834,221	4,226,162
Detention and Court Support Services	21,971,954	30,519,676	31,619,904	25,140,485	23,184,791	23,841,485	26,829,284	34,652,378	34,443,731	31,401,913
Health and Human Services	6,960,433	4,930,460	8,814,650	11,090,714	13,320,478	18,656,783	16,423,520	17,897,027	14,392,646	30,306,153
Business Partners	3,762,413	5,474,599	5,372,084	4,970,124	3,255,246	3,989,324	3,625,969	6,497,024	4,542,827	4,549,316
Operating grants and contributions	170,925,841	163,398,011	166,068,948	182,135,099	204,811,753	197,617,627	209,249,190	202,018,874	178,316,481	161,050,616
Capital grants and contributions	3,769,889	1,137,501	2,745,772	2,363,939	2,576,257	1,755,883	562,247	2,324,217	2,599,824	625,975
Total Governmental Activities Program Revenues	277,324,913	270,079,343	276,147,687	281,767,102	297,519,146	292,145,158	305,958,677	328,008,982	303,166,566	286,941,491
Business-type Activities										
Charges for services	14,001,067	13,014,526	11,583,782	12,394,000	12,350,331	12,086,857	13,372,703	18,404,455	17,332,509	16,400,768
Operating grants and contributions	2,326,933	178,172,096	79,795,933	108,818	64,411	15,000	-	-	-	-
Capital grants and contributions	31,585	-	313,996	-	-	-	-	-	-	-
Total Business-type activities Program Revenues	16,359,585	191,186,622	91,693,711	12,502,818	12,414,742	12,101,857	13,372,703	18,404,455	17,332,509	16,400,768
Total Primary Government Program Revenues	293,684,498	461,265,965	367,841,398	294,269,920	309,933,888	304,247,015	319,331,380	346,413,437	320,499,075	303,342,259
<b>Net Expense</b>										
Governmental activities	(1,120,376,275)	(1,027,029,575)	(1,001,448,382)	(896,178,618)	(866,129,835)	(991,339,504)	(1,235,903,790)	(1,079,854,026)	(988,592,162)	(896,766,383)
Business-type activities	4,927,243	(7,009,107)	(9,071,479)	(2,050,583)	(858,051)	(868,695)	(306,879)	4,900,366	4,841,357	4,559,785
Total Primary Government Net Expense	(1,115,449,032)	(1,034,038,682)	(1,010,519,861)	(898,229,201)	(866,987,886)	(992,208,199)	(1,236,210,669)	(1,074,953,660)	(983,750,805)	(892,206,598)
<b>General Revenues</b>										
Governmental Activities										
Property taxes, general purpose	881,138,633	950,558,851	927,867,539	930,006,268	850,300,416	840,297,024	820,787,407	790,150,824	743,452,736	725,530,314
Property taxes, Law Enforcement Service District	13,655,465	13,268,018	12,685,826	11,937,234	12,426,379	11,037,298	13,660,948	12,348,157	12,585,852	12,251,561
Property taxes, Fire Service Districts	4,027,318	3,969,915	3,255,447	-	-	-	-	-	-	-
Sales taxes	249,763,851	225,404,175	210,807,483	204,862,019	178,706,265	186,765,702	199,787,001	247,551,124	244,421,759	218,196,848
Other taxes	13,671,359	15,107,731	11,274,042	11,221,927	10,383,116	9,379,388	9,209,619	8,132,918	7,805,251	7,805,251
Investment earnings	5,327,929	10,919,329	(4,207,591)	2,878,368	3,051,914	4,067,591	18,000,502	29,575,757	26,466,482	17,883,110
Miscellaneous	-	-	-	-	323,361	555,887	1,785,466	1,108,328	854,669	2,092,569
Transfers	12,980,816	(10,543,650)	(8,826,133)	(1,700,000)	-	-	-	-	-	-
Total Governmental Activities General Revenues	1,180,565,371	1,208,684,369	1,152,856,613	1,159,205,816	1,055,191,451	1,052,102,890	1,063,010,932	1,089,943,809	1,035,914,416	983,759,653
Business-type Activities										
Investment earnings	197,320	178,343	155,445	242,917	237,505	305,027	829,411	1,137,656	1,067,315	692,455
Miscellaneous	1,649,897	1,837,587	2,305,470	4,403,049	4,752,062	2,072,319	2,779,207	37,953	-	-
Transfers	(12,980,816)	10,543,650	8,826,133	1,700,000	-	-	-	-	-	-
Total Business-type Activities General Revenues	(11,133,599)	12,559,580	11,287,048	6,345,966	4,989,567	2,377,346	3,608,618	1,175,609	1,067,315	692,455
Total Primary Government General Revenues	1,169,431,772	1,221,243,949	1,164,143,661	1,165,551,782	1,060,181,018	1,054,480,236	1,066,619,550	1,091,119,418	1,036,981,731	984,452,108
<b>Change in Net Position</b>										
Governmental Activities	60,189,096	181,654,794	151,408,231	263,027,198	189,061,616	60,763,386	(172,892,858)	10,089,783	47,322,254	86,993,270
Business-type Activities	(6,206,356)	5,550,473	2,215,569	4,295,383	4,131,516	1,508,651	3,301,739	6,075,975	5,908,672	5,252,240
Total Primary Government Change in Net Position	\$ 53,982,740	\$ 187,205,267	\$ 153,623,800	\$ 267,322,581	\$ 193,193,132	\$ 62,272,037	\$ (169,591,119)	\$ 16,165,758	\$ 53,230,926	\$ 92,245,510

TABLE 3

MECKLENBURG COUNTY, NORTH CAROLINA  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	General Fund						All Other Governmental Funds						All Governmental Funds Total
June 30	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total	
2015	\$ -	\$ 97,531,243	\$ 20,150,907	\$ -	\$ 356,468,709	\$474,150,859	\$ -	\$ 121,346,835	\$ 274,662,747	\$ -	\$ (24,182,979)	\$371,826,603	\$ 845,977,462
2014	-	100,046,250	15,222,605	519,946	402,847,214	518,636,015	-	141,494,034	216,998,136	-	(48,689,831)	309,802,339	828,438,354
2013	-	84,973,506	28,800,680	-	354,465,116	468,239,302	-	157,241,553	173,944,936	-	(12,937,225)	318,249,264	786,488,566
2012	4,960	95,633,765	26,272,171	12,655,395	340,191,167	474,757,458	-	108,737,919	118,500,452	-	(9,485,236)	217,753,135	692,510,593
2011	4,960	98,731,155	972,406	1,903,795	271,018,383	372,630,699	-	40,684,545	67,802,190	-	(16,869,661)	91,617,074	464,247,773
2010	4,960	110,211,354	1,404,961	117,284,010	102,036,224	330,941,509	-	53,744,422	43,803,780	-	(8,211,526)	89,336,676	420,278,185

	General Fund				All Other Governmental Funds				All Governmental Funds Total
June 30	Reserved for Encumbrances	Reserved by State Statute	Unreserved	Total	Reserved for Encumbrances	Reserved by State Statute	Special Revenue Funds Unreserved	Capital Projects Funds Unreserved	Total
2010	\$ 20,538,100	\$ 87,950,368	\$ 220,980,457	\$ 329,468,925	\$ 31,995,899	\$ 10,477,931	\$ 29,267,911	\$ 19,067,519	\$ 90,809,260
2009	19,427,882	79,280,685	260,840,285	359,548,852	42,929,488	7,749,028	32,950,716	3,575,567	87,204,799
2008	23,067,756	73,790,931	265,285,330	362,144,017	101,422,120	16,698,476	28,301,001	235,059,360	381,480,957
2007	21,626,933	77,459,022	244,382,297	343,468,252	36,133,168	11,083,386	34,144,388	176,601,035	257,961,977
2006	25,594,209	71,727,868	194,232,627	291,554,704	32,175,939	9,050,935	31,337,721	152,167,587	224,732,182

GASB Statement 54, presenting restated Fund Balances,  
was implemented for the year ended June 30, 2011.

TABLE 4  
MECKLENBURG COUNTY, NORTH CAROLINA  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>REVENUES</b>										
Taxes	\$ 1,115,100,515	\$ 1,136,661,966	\$ 1,100,151,006	\$ 1,102,414,039	\$ 1,001,727,777	\$ 996,823,542	\$ 988,355,276	\$ 1,002,132,382	\$ 948,779,819	\$ 916,447,749
Law Enforcement Service District taxes	13,374,744	13,487,083	13,115,502	12,188,234	12,800,239	11,399,232	13,660,948	12,348,157	12,585,852	12,251,561
Transit One-Half Cent sales tax	43,903,754	38,554,913	35,931,007	35,529,884	31,145,231	33,658,337	33,766,238	38,621,351	38,167,932	35,410,666
Fire Service Districts taxes	4,027,318	3,969,914	3,255,447	-	-	-	-	-	-	-
Licenses and permits	25,038,366	24,130,660	20,886,622	17,473,904	14,233,457	12,440,081	14,896,152	23,769,577	26,667,640	25,435,596
Intergovernmental	171,356,866	165,345,703	170,886,890	186,961,164	208,011,550	198,522,521	208,268,483	202,763,758	177,779,577	158,813,796
Charges for services	71,972,573	74,892,275	78,538,631	71,906,110	70,407,373	77,150,985	78,323,901	93,854,623	92,926,023	96,750,617
Interest earned on investments	5,327,929	10,919,330	(4,190,511)	2,878,368	3,051,914	4,067,591	18,000,502	29,575,757	26,466,482	17,883,110
Administrative charges	2,553,261	3,004,007	2,544,040	2,525,641	2,444,287	2,744,287	4,186,330	4,102,864	3,812,899	3,003,655
Other	16,463,799	14,660,176	12,150,675	12,055,616	11,182,632	10,678,845	12,185,718	15,791,573	11,052,022	13,503,610
Total Revenues	<u>1,469,119,125</u>	<u>1,485,626,027</u>	<u>1,433,269,309</u>	<u>1,443,932,960</u>	<u>1,355,004,460</u>	<u>1,347,485,421</u>	<u>1,371,643,548</u>	<u>1,422,960,042</u>	<u>1,338,238,246</u>	<u>1,279,500,360</u>
<b>EXPENDITURES</b>										
Current										
Customer Satisfaction and Management	17,273,000	15,061,885	13,587,103	13,373,798	14,790,104	10,436,098	10,040,369	9,335,137	9,345,322	7,933,172
Administrative Services	99,644,157	79,062,557	72,332,559	68,179,870	51,256,990	61,936,299	60,733,760	60,651,676	45,881,538	40,684,412
Financial Services	15,403,577	15,721,314	17,336,544	17,725,841	9,564,937	9,284,883	9,094,428	9,285,342	7,392,488	6,757,139
Land Use and Environmental Services	53,039,064	61,657,473	55,717,155	52,590,001	52,087,901	53,482,276	62,205,728	59,788,568	55,319,765	50,845,010
Community Services	65,704,856	60,500,448	61,255,426	56,220,129	63,729,362	77,281,017	82,584,269	78,353,413	71,197,222	67,668,009
Detention and Court Support Services	140,286,079	136,726,616	133,529,202	125,715,537	113,512,049	115,483,860	116,146,771	108,381,204	99,542,545	91,453,555
Health and Human Services	265,275,622	236,341,847	252,497,144	259,728,965	287,565,513	304,143,599	310,977,979	315,306,697	293,423,556	301,585,511
Business Partners	490,934,310	465,494,098	438,392,562	427,762,120	413,832,728	427,868,575	468,609,273	478,299,087	444,142,474	402,885,075
Public Safety	17,387,945	3,097,849	3,199,990	-	-	-	-	-	-	-
Debt Service										
Principal payments	157,847,456	149,392,456	160,214,871	165,281,714	174,300,586	172,516,990	164,288,423	148,389,990	136,698,950	124,519,648
Interest and fiscal charges	62,944,225	67,275,884	96,272,470	91,252,603	82,964,257	86,265,613	84,392,437	86,448,342	87,443,865	81,837,867
Capital outlay	191,778,251	148,693,477	138,813,366	76,770,706	47,660,085	165,138,075	416,730,076	270,970,375	234,148,772	277,678,617
Total Expenditures	<u>1,577,518,542</u>	<u>1,439,025,904</u>	<u>1,443,148,392</u>	<u>1,354,601,284</u>	<u>1,311,264,512</u>	<u>1,483,837,285</u>	<u>1,785,803,513</u>	<u>1,625,209,831</u>	<u>1,484,536,497</u>	<u>1,453,848,015</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(108,399,417)	46,600,123	(9,879,083)	89,331,676	43,739,948	(136,351,864)	(414,159,965)	(202,249,789)	(146,298,251)	(174,347,655)
<b>OTHER FINANCING SOURCES (USES)</b>										
Refunding bond proceeds	120,025,000	-	227,930,000	164,015,000	-	589,310,000	-	-	-	-
Premium on financing	34,292,149	-	68,725,994	30,994,281	-	58,708,355	38,993,762	13,282,440	6,306,594	-
Payment to refunding escrow agent	(141,959,892)	-	(268,657,051)	(179,813,043)	-	(638,141,957)	(276,841,503)	-	-	-
Sale of bonds	100,000,000	-	100,000,000	100,000,000	-	100,000,000	334,730,000	320,180,000	225,135,000	197,000,000
Gain on sale of fixed assets	600,452	893,315	184,246	-	-	-	-	-	-	-
Installment financing	-	5,000,000	500,000	9,434,906	-	-	2,500,000	-	-	-
Transfers in	116,219,440	53,781,398	61,620,800	46,741,107	36,784,079	62,382,485	57,599,303	46,085,408	29,583,692	38,992,801
Transfers out	(103,238,624)	(64,325,048)	(70,446,933)	(48,441,107)	(36,554,439)	(62,382,485)	(57,467,613)	(46,085,408)	(29,583,692)	(38,992,801)
Total Other Financing Sources (Uses)	<u>125,938,525</u>	<u>(4,650,335)</u>	<u>119,857,056</u>	<u>122,931,144</u>	<u>229,640</u>	<u>109,876,398</u>	<u>99,513,949</u>	<u>333,462,440</u>	<u>231,441,594</u>	<u>197,000,000</u>
NET CHANGE IN FUND BALANCES	17,539,108	41,949,788	109,977,973	212,262,820	43,969,588	(26,475,466)	(314,646,016)	131,212,651	85,143,343	22,652,345
FUND BALANCE - BEGINNING OF YEAR	828,438,354	786,488,566	676,510,593	464,247,773	420,278,185	446,753,651	743,624,974	601,430,229	516,286,886	493,634,541
RECLASSIFICATION	-	-	-	-	-	-	17,774,693	10,982,094	-	-
FUND BALANCE - END OF YEAR	<u>\$ 845,977,462</u>	<u>\$ 828,438,354</u>	<u>\$ 786,488,566</u>	<u>\$ 676,510,593</u>	<u>\$ 464,247,773</u>	<u>\$ 420,278,185</u>	<u>\$ 446,753,651</u>	<u>\$ 743,624,974</u>	<u>\$ 601,430,229</u>	<u>\$ 516,286,886</u>
Debt service as a percentage of non-capital expenditures	14.49%	15.30%	18.14%	19.39%	19.96%	17.88%	14.91%	15.24%	15.78%	15.92%



TABLE 5  
MECKLENBURG COUNTY, NORTH CAROLINA  
GOVERNMENTAL TAX REVENUE BY SOURCE  
LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tax Revenues										
General Property	\$ 903,206,824	\$ 944,647,226 (C)	\$ 920,532,965 (A/C)	\$ 928,391,353 (A/C)	\$ 848,994,485	\$ 840,331,467	\$ 818,740,877	\$ 789,623,586	\$ 738,775,024	\$ 729,765,134
Sales	205,860,097	186,849,262 (C)	174,876,476 (C)	169,332,135 (C)	147,561,034	153,107,365	166,020,763 (B )	208,929,773	206,253,827	182,786,182
Room Occupancy	1,136,217	1,021,167	1,000,939	1,122,799	1,841,340	902,852	927,151	669,476	993,378	1,356,706
Vehicle Rental	3,739,263	3,334,222	3,013,091	2,846,035	2,846,805	2,178,666	2,526,632	2,863,679	2,724,891	2,510,499
Other	1,158,114	810,089	727,535	721,717	484,113	303,192	139,853	45,868	32,699	29,228
Total Tax Revenues	\$ 1,115,100,515	\$ 1,136,661,966	\$ 1,100,151,006	\$ 1,102,414,039	\$ 1,001,727,777	\$ 996,823,542	\$ 988,355,276	\$ 1,002,132,382	\$ 948,779,819	\$ 916,447,749

## NOTES:

(A) Revaluation

(B )The State reduced the distribution of a 1/2 cent sales tax and the general economy contracted

(C) Includes property tax and sales tax revenue in the Debt Service Fund

TABLE 6

MECKLENBURG COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2015

	Countywide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 109,944,980,878	\$ 0.8157	\$ 896,821,209	\$ 896,821,209	\$ -
Motor vehicles	8,447,081,686	0.8157	68,902,845	-	68,902,845
Total	<u>118,392,062,564</u>		<u>965,724,054</u>	<u>896,821,209</u>	<u>68,902,845</u>
Discoveries:					
Prior year taxes	241,182,187	Various	(13,850,850)	(13,990,513)	139,663
Penalties	-		1,020,375	1,020,375	-
Total	<u>241,182,187</u>		<u>(12,830,475)</u>	<u>(12,970,138)</u>	<u>139,663</u>
Total property valuation	<u>\$ 118,633,244,751</u>				
Net levy			952,893,579	883,851,071	69,042,508
Uncollected taxes at June 30, 2015			(5,823,589)	(5,786,434)	(37,155)
Current year's taxes collected			<u>\$ 947,069,990</u>	<u>\$ 878,064,637</u>	<u>\$ 69,005,353</u>
Current net levy collection percentage			99.39%	99.35%	99.95%

NOTE: The tax levy is net of rebates

TABLE 7

MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2015

Fiscal year	Uncollected Beginning Balance	Additions	Collections and Credits	Uncollected Ending Balance
2013-2014	\$ -	\$ 952,893,579	\$ 947,069,990	\$ 5,823,589
2012-2013	11,403,627	-	6,614,493	4,789,134
2011-2012	6,813,087	-	2,296,264	4,516,823
2010-2011	4,786,014	-	977,265	3,808,749
2009-2010	6,787,645	-	621,817	6,165,828
2008-2009	3,565,018	-	258,227	3,306,791
2007-2008	3,254,036	-	202,476	3,051,560
2006-2007	4,117,850	-	156,034	3,961,816
2005-2006	3,452,542	-	116,796	3,335,746
2004-2005	2,114,808	-	86,560	2,028,248
2003-2004	1,241,460	-	1,241,460	-
	<u>\$ 47,536,087</u>	<u>\$ 952,893,579</u>	<u>\$ 959,641,382</u>	<u>\$ 40,788,284</u>
Revenue reconciliation:				
General property - current - General Fund			\$	715,499,884
General property - prior - General Fund				(47,019,311)
General property - current - Debt Service Fund				231,250,600
Reconciling items:				
Property tax refunds				62,144,400
Taxes written off				1,241,460
Interest collected on delinquent taxes				(3,475,651)
			<u>\$</u>	<u>959,641,382</u>

TABLE 8

MECKLENBURG COUNTY, NORTH CAROLINA  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)  
 LAST TEN FISCAL YEARS  
 (IN MILLIONS)

Fiscal Year Ended June 30,	Real Property	Personal Property	State Certifications	Less Elderly Exemption	Total Assessed Valuation (2)	Direct Tax Rate
2015	\$ 96,725.4	\$ 17,979.0	\$ 3,928.8	\$ -	\$ 118,633.2	0.8157
2014	95,379.3	13,985.4	3,569.4	- (3)	112,934.1	0.8157
2013	95,935.5	14,570.7	3,430.4	- (3)	113,936.6	0.7922
2012	96,421.2	16,001.8	3,322.2	- (4)	115,745.2	0.8166
2011	82,522.5	14,501.7	3,213.7	- (3)	100,237.9	0.8387
2010	81,628.2	14,990.3	3,273.2	- (3)	99,891.7	0.8387
2009	78,995.3	15,461.7	3,356.6	- (3)	97,813.6	0.8387
2008	76,671.4	15,312.1	3,287.1	(170.9)	95,099.7	0.8387
2007	72,755.0	14,454.9	3,676.1	(167.3)	90,718.7	0.8189
2006	71,019.8	13,965.6	3,560.0	(185.7)	88,359.7	0.8368

## NOTES:

(1) Assessed valuations are established by the Board of County Commissioners at 100% of estimated market value for real property and 100% of actual value for all other property. A revaluation of real property is required by North Carolina General Statutes at least every eight years.

(2) Assessed valuation equals estimated actual value, which approximates market value.

(3) Elderly Exemption is net Real Property beginning fiscal year 2009.

(4) Revaluation

TABLE 9

MECKLENBURG COUNTY, NORTH CAROLINA  
PROPERTY TAX RATES PER \$100 ASSESSED VALUATION  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Mecklenburg County	Charlotte	Cornelius	Davidson	Huntersville	Matthews	Mint Hill	Pineville
2015	\$ 0.8157	\$ 0.4687	\$ 0.2400	\$ 0.3500	\$ 0.3050	\$ 0.3175	\$ 0.2700	\$ 0.3200
2014	0.8157	0.4687	0.2400	0.3500	0.2825	0.3175	0.2700	0.3200
2013	0.7922	0.4370	0.2400	0.3500	0.2830	0.3025	0.2700	0.3200
2012	(A) 0.8166	0.4370	0.2500	0.3500	0.2825	0.3025	0.2700	0.3200
2011	0.8387	0.4586	0.2750	0.3650	0.2900	0.3325	0.2750	0.3200
2010	0.8387	0.4586	0.2750	0.3650	0.2900	0.3325	0.2750	0.3200
2009	0.8387	0.4586	0.2750	0.3650	0.2900	0.3325	0.2750	0.3200
2008	0.8387	0.4586	0.2750	0.3450	0.2900	0.3075	0.2750	0.3000
2007	0.8189	0.4586	0.2750	0.3450	0.2900	0.3075	0.2750	0.3000
2006	0.8368	0.4200	0.2600	0.3450	0.2800	0.3075	0.2750	0.3000

NOTES: (A) Revaluation  
Mecklenburg County has a flat Direct Tax Rate. Municipalities set their own Direct Rate.  
This rate, combined with the County Direct Rate is the Total Overlapping Tax Rate.

SOURCES: (Other than Mecklenburg County), North Carolina Tax Research Division

TABLE 10  
MECKLENBURG COUNTY, NORTH CAROLINA  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Enterprise	2015			2006		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Utilities	\$ 2,460,530,741	1	2.07 %	\$ 1,071,761,180	1	1.21 %
Bank of America	Financial Services	1,411,588,114	2	1.19	844,890,980	2	0.96
Wells Fargo / Wachovia	Financial Services	1,007,625,805	3	0.85	635,656,161	3	0.72
A T & T / Bellsouth	Utilities	503,643,827	4	0.42	516,523,116	4	0.58
Time Warner Cable	Utilities	437,561,563	5	0.37	235,899,351	9	0.27
Piedmont Natural Gas	Utilities	348,159,450	6	0.29	292,479,808	7	0.33
US Airways	Transportation	347,206,571	7	0.29	357,259,199	6	0.40
SouthPark Mall	Retail	327,568,782	8	0.28	178,354,804	10	0.20
Teachers Insurance	Insurance	219,046,529	9	0.18	202,675,394	8	0.23
Parkway 214 N Tryon LLC	Real Estate	210,118,400	10	0.18	-	-	-
Childress Klein	Property Management	-		-	425,485,800	5	0.48
Total		<u>\$ 7,273,049,782</u>		<u>6.12 %</u>	<u>\$ 4,760,985,793</u>		<u>5.38 %</u>

TABLE 11

MECKLENBURG COUNTY, NORTH CAROLINA  
PROPERTY TAX LEVIES, TAX COLLECTIONS AND CREDITS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Year	Total Tax Levy (A)	Collected within Fiscal Year of Levy	Percent of Levy Collected	Collections and Credits in Subsequent Years	Total Tax Collections and Credits To Date	Percent of Total Tax Collections to Tax Levy
2015	2014	\$ 952,893,579	\$ 947,069,990	99.39 %	\$ -	\$ 947,069,990	99.39 %
2014	2013	930,300,839	913,606,153	98.21	11,905,552	925,511,705	99.49
2013	2012	921,589,480	902,816,840	97.96	14,255,817	917,072,657	99.51
2012	(B) 2011	947,064,890	927,878,581	97.97	15,377,560	943,256,141	99.60
2011	2010	849,850,762	830,922,286	97.77	12,762,648	843,684,934	99.27
2010	2009	838,891,650	820,748,317	97.84	14,836,542	835,584,859	99.61
2009	2008	821,454,282	801,438,087	97.56	16,964,635	818,402,722	99.63
2008	2007	798,235,098	778,803,875	97.57	15,469,407	794,273,282	99.50
2007	2006	744,389,072	726,036,272	97.53	15,017,054	741,053,326	99.55
2006	2005	737,016,999	719,159,556	97.58	15,829,195	734,988,751	99.72

NOTES: (A) Includes discoveries and excludes the Law Enforcement Service District

(B) Revaluation

TABLE 12

MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF BONDS PAYABLE  
JUNE 30, 2015

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2014	Sold	Retired	Balance July 1, 2015	Interest Paid in Current Year
Public Improvements 2005A	February 1, 2005	2026	3.9849	\$ 32,300,000	\$ 1,615,000	\$ -	\$ 1,615,000	\$ -	\$ 64,600
Refunding 2005C	May 1, 2005	2016	3.4368	172,125,000	34,775,000	-	17,360,000	17,415,000	1,738,750
Public Improvements 2007A	February 1, 2007	2027	4.1690	102,000,000	11,635,000	-	2,000,000	9,635,000	541,750
Parks and Recreation Bonds 2008A	February 1, 2008	2028	3.6115	12,000,000	2,400,000	-	600,000	1,800,000	78,000
Public Improvements 2008B	February 1, 2008	2028	3.7954	148,500,000	24,500,000	-	3,000,000	21,500,000	1,225,000
Refunding 2009A	March 10, 2009	2020	2.2523	243,965,000	175,940,000	-	37,905,000	138,035,000	7,144,225
Public Improvements 2009B	September 1, 2009	2030	3.5372	100,000,000	80,000,000	-	5,000,000	75,000,000	3,331,250
Refunding 2009C	September 1, 2009	2020	2.6227	130,390,000	130,390,000	-	29,040,000	101,350,000	6,427,400
Variable Rate Demand Bonds 2009D	July 28, 2009	2026	Variable	120,000,000	109,790,000	-	2,055,000	107,735,000	157,589
Refunding 2010	March 16, 2010	2026	3.1098	114,940,000	113,050,000	-	325,000	112,725,000	4,760,150
Public Improvements 2011A	October 27, 2011	2019	1.4854	49,000,000	29,000,000	-	5,000,000	24,000,000	1,325,000
Qualified School Construction Bonds 2011B	October 27, 2011	2030	0.0156	51,000,000	51,000,000	-	-	51,000,000	2,217,990
Refunding 2011C	October 27, 2011	2025	2.9501	164,015,000	144,525,000	-	15,415,000	129,110,000	6,298,775
Public Improvements 2013A	January 29, 2013	2027	2.3210	209,815,000	206,785,000	-	2,925,000	203,860,000	10,008,225
Public Improvements 2013B	February 5, 2013	2033	1.7506	100,000,000	95,000,000	-	5,000,000	90,000,000	3,700,000
School Bonds 2015A	March 17, 2015	2035	3.8746	100,000,000	-	100,000,000	-	100,000,000	-
				<u>\$ 1,850,050,000</u>	<u>\$ 1,210,405,000</u>	<u>\$ 100,000,000</u>	<u>\$ 127,240,000</u>	<u>\$ 1,183,165,000</u>	<u>\$ 49,018,704</u>



TABLE 13  
MECKLENBURG COUNTY, NORTH CAROLINA  
SCHEDULE OF INSTALLMENT FINANCINGS  
JUNE 30, 2015

Description	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015	Interest Paid Current Year
2006 Certificates of Participation	February 1, 2006	2026	Variable	\$ 108,000,000	\$ 71,330,000	\$ -	\$ 4,280,000	\$ 67,050,000	\$ 435,295
2008A Certificates of Participation	February 1, 2008	2028	Variable	124,960,000	79,280,000	-	6,815,000	72,465,000	313,684
2008B Certificates of Participation	February 1, 2008	2028	4.435	34,720,000	17,870,000	-	645,000	17,225,000	840,206
2009A Certificates of Participation	February 1, 2009	2029	4.224	90,765,000	68,155,000	-	49,980,000	18,175,000	3,190,063
2009A Limited Obligation Bonds	September 3, 2009	2027	3.742	223,980,000	144,370,000	-	91,520,000	52,850,000	7,050,350
NC Clean Water State Revolving Loan	April 11, 2011	2030	-	2,493,625	839,295	-	52,456	786,839	-
Guaranteed Energy Savings Contract	December 16, 2011	2025	3.100	6,291,281	5,919,163	-	447,890	5,471,273	176,114
2013 Taxable Limited Obligation Bonds	March 13, 2013	2028	2.779	18,115,000	17,220,000	-	845,000	16,375,000	409,329
2015 Limited Obligation Refunding	April 30, 2015	2028	4.659	120,025,000	-	120,025,000	-	120,025,000	-
				<u>\$ 729,349,906</u>	<u>\$ 404,983,458</u>	<u>\$ 120,025,000</u>	<u>\$ 154,585,346</u>	<u>\$ 370,423,112</u>	<u>\$ 12,415,041</u>

TABLE 14

MECKLENBURG COUNTY, NORTH CAROLINA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificate of Participation	Capital Leases	General Obligation Bonds	Special Obligation Bonds	Capital Leases			
2015	\$ 1,183,165,000	\$ 370,423,112	\$ 3,903,820	\$ -	\$ 10,145,000	\$ -	\$ 1,567,636,932	5.97 %	\$ 1,485
2014	1,210,405,000	404,983,458	5,037,819	-	10,865,000	-	1,631,291,277	6.88	1,588
2013	1,327,400,000	437,798,195	1,019,480	-	11,555,000	163,019	1,777,935,694	7.98	1,780
2012	1,385,016,983	462,605,488	650,000	28,016	12,220,000	480,320	1,861,000,807	8.23	1,926
2011	1,427,884,428	488,670,000	435,858	605,572	-	930,543	1,918,526,401	8.31	2,045
2010	1,567,343,885	522,085,000	1,861,985	1,186,115	-	1,462,569	2,093,939,554	9.09	2,277
2009	1,615,700,430	578,240,000	3,857,430	1,769,570	-	2,053,262	2,201,620,692	9.84	2,463
2008	1,757,830,836	517,980,000	3,158,397	2,754,164	-	940,759	2,282,664,156	10.41	2,624
2007	1,722,134,476	380,820,000	4,537,696	4,010,524	-	1,182,972	2,112,685,668	9.75	2,507
2006	1,739,419,853	274,055,000	6,515,686	5,280,147	-	153,731	2,025,424,417	9.68	2,485

NOTES: Details regarding the County's outstanding debt can be found in the Notes to the Basic Financial Statements.

Table 18 represents personal income and population data used to prepare the above ratios.

TABLE 15

MECKLENBURG COUNTY, NORTH CAROLINA  
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION  
 AND NET BONDED DEBT PER CAPITA  
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt	Payable from Enterprise Fund	Net General Bonded Debt	Percent of Assessed Value	Per Capita
2015	\$ 1,183,165,000	\$ -	\$ 1,183,165,000	1.00 %	\$ 1,121
2014	1,210,405,000	-	1,210,405,000	1.07	1,179
2013	1,327,400,000	-	1,327,400,000	1.15	1,329
2012	1,385,045,000	28,017	1,385,016,983	1.19	1,434
2011	1,428,490,000	605,572	1,427,884,428	1.42	1,522
2010	1,568,530,000	1,186,115	1,567,343,885	1.57	1,704
2009	1,617,470,000	1,769,570	1,615,700,430	1.65	1,807
2008	1,760,585,000	2,754,164	1,757,830,836	1.85	2,021
2007	1,726,145,000	4,010,524	1,722,134,476	1.90	2,044
2006	1,744,700,000	5,280,147	1,739,419,853	1.97	2,134

NOTES: Assessed valuations used to prepare the above percentages appear in Table 17

Population data used to prepare the above data appear in Table 18

TABLE 16

MECKLENBURG COUNTY, NORTH CAROLINA  
COMPUTATION OF DIRECT AND OVERLAPPING  
GOVERNMENTAL ACTIVITIES DEBT  
FOR THE YEAR ENDED JUNE 30, 2015

Mecklenburg County:	Assessed Valuation (1)	Percent of Countywide Total	Pro Rata Share of Governmental Activities Debt	Municipalities' Debt (2)	Total Overlapping Debt
Charlotte	\$ 89,423,229,328	75.38 %	\$ 1,174,004,458	\$ 776,960,000	\$ 1,950,964,458
Cornelius	4,945,746,924	4.17	64,930,880	965,000	65,895,880
Davidson	1,703,472,344	1.43	22,364,257	-	22,364,257
Huntersville	6,202,499,078	5.23	81,430,313	20,445,000	101,875,313
Matthews	3,377,084,421	2.85	44,336,491	6,500,000	50,836,491
Mint Hill	2,323,283,117	1.96	30,501,524	1,950,000	32,451,524
Pineville	1,606,219,643	1.35	21,087,463	-	21,087,463
Unincorporated Areas	9,051,709,896	7.63	118,836,546	-	118,836,546
Countywide Totals	<u>\$ 118,633,244,751</u>	<u>100.00 %</u>	<u>\$ 1,557,491,932</u>	<u>\$ 806,820,000</u>	<u>\$ 2,364,311,932</u>

NOTES: (1) Provided by N.C. Department of Revenue, Tax Research Division. Includes valuations of classified registered motor vehicles for which tax notices were issued in accordance with G.S. 105-330.5(a) during calendar year 2013, net of releases made by that date.

(2) Provided by Department of State Treasurer.

TABLE 17  
MECKLENBURG COUNTY, NORTH CAROLINA  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS  
AS OF JUNE 30

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Assessed Value	\$ 118,633,244,751	\$ 112,934,112,312	\$ 115,415,656,131	\$ 116,691,859,209	\$ 100,267,938,569	\$ 99,891,780,607	\$ 97,813,551,380	\$ 95,099,766,372	\$ 90,718,949,214	\$ 88,359,891,735
Debt Limit 8% of Assessed Value	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>	<u>x .08</u>
Debt Limit	<u>9,490,659,580</u>	<u>9,034,728,985</u>	<u>9,233,252,490</u>	<u>9,335,348,737</u>	<u>8,021,435,086</u>	<u>7,991,342,449</u>	<u>7,825,084,110</u>	<u>7,607,981,310</u>	<u>7,257,515,937</u>	<u>7,068,791,339</u>
Amount of Debt Applicable to Debt Limit:										
Total Bonded Debt	1,183,165,000	1,210,405,000	1,327,400,000	1,385,045,000	1,428,490,000	1,568,530,000	1,617,470,000	1,760,585,000	1,726,145,000	1,744,700,000
Installment Financings	370,423,112	404,983,458	437,798,195	462,605,488	488,670,000	522,085,000	578,240,000	517,980,000	380,820,000	274,055,000
Bonds Authorized and Unissued	<u>783,000,000</u>	<u>993,040,000</u>	<u>493,040,000</u>	<u>625,540,000</u>	<u>729,140,000</u>	<u>729,140,000</u>	<u>829,140,000</u>	<u>579,140,000</u>	<u>146,000,000</u>	<u>248,000,000</u>
Total Amount of Debt Applicable to Debt Limit	<u>2,336,588,112</u>	<u>2,608,428,458</u>	<u>2,258,238,195</u>	<u>2,473,190,488</u>	<u>2,646,300,000</u>	<u>2,819,755,000</u>	<u>3,024,850,000</u>	<u>2,857,705,000</u>	<u>2,252,965,000</u>	<u>2,266,755,000</u>
Legal Debt Margin	<u>\$ 7,154,071,468</u>	<u>\$ 6,426,300,527</u>	<u>\$ 6,975,014,295</u>	<u>\$ 6,862,158,249</u>	<u>\$ 5,375,135,086</u>	<u>\$ 5,171,587,449</u>	<u>\$ 4,800,234,110</u>	<u>\$ 4,750,276,310</u>	<u>\$ 5,004,550,937</u>	<u>\$ 4,802,036,339</u>

TABLE 18

MECKLENBURG COUNTY, NORTH CAROLINA  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS

Year	Population	Total Personal Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2015	1,055,791	\$ 26,268,690,000	\$ 24,881	N/A	-	5.7 %
2014	1,027,034	23,708,977,500	23,085	34.4	145,493	6.8
2013	999,060	22,270,607,500	22,292	34.0	141,171	9.4
2012	966,160	22,605,735,000	23,398	33.9	138,012	9.9
2011	938,020	23,109,445,000	24,636	35.2	135,638	11.1
2010	919,628	23,046,007,500	25,060	35.2	133,664	11.2
2009	893,892	22,365,015,000	25,020	35.1	134,060	11.5
2008	869,954	21,920,959,643	25,198	35.1	132,281	6.1
2007	842,674	21,657,699,496	25,701	35.1	129,011	4.5
2006	815,218	20,933,932,894	25,679	34.4	126,903	4.3

NOTES: N/A = Data not available

Data provided by the Charlotte Chamber of Commerce, the North Carolina Office of State Planning  
and the Charlotte-Mecklenburg School system.

TABLE 19  
MECKLENBURG COUNTY, NORTH CAROLINA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2015			2006		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Carolinas HealthCare System	35,000	1	7.36 %	26,283	1	6.22 %
Wells Fargo	22,000	2	4.63	20,000	2	4.73
Charlotte-Mecklenburg Schools	18,143	3	3.82	7,500	8	1.77
Wal-Mart Stores, Inc.	16,100	4	3.39	12,918	4	3.06
Bank of America Corporation	15,000	5	3.15	13,960	3	3.30
Lowe's Companies, Inc.	12,960	6	2.73	-	-	-
Novant Health / Presbyterian Hospital	11,000	7	2.31	7,800	6	1.85
American Airlines	10,600	8	2.23	-	-	-
Harris Teeter	8,239	9	1.73	-	-	-
Duke Energy Corporation	7,800	10	1.64	7,500	7	1.77
State of North Carolina	7,684	11	1.62	7,479	9	1.76
Delhaize America, Inc. / Food Lion	6,900	12	1.45	8,658	5	2.00
City of Charlotte	6,000	13	1.26	5,896	10	1.39
U. S. Government	5,360	14	1.13	-	-	-

## NOTES:

Data per Charlotte Chamber of Commerce

Most recent data per Charlotte Chamber of Commerce publication,  
Charlotte's Largest Employers, dated 2014

TABLE 20  
 MECKLENBURG COUNTY, NORTH CAROLINA  
 FULL-TIME EQUIVALENT COUNTY EMPLOYEES  
 LAST TEN FISCAL YEARS

Function / Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Customer Satisfaction and Management Service	48	50	49	63	61	68	74	76	61	59
Administrative Services	265	306	307	218	216	228	274	285	293	283
Financial Services	243	158	157	160	89	91	90	83	84	81
Land Use and Environmental Services	416	601	564	537	519	526	636	642	619	590
Community Services	785	755	758	772	837	740	688	650	635	565
Detention and Court Support Services	1,399	1,388	1,380	1,379	1,300	1,330	1,352	1,294	1,197	1,189
Health and Human Services	<u>2,208</u>	<u>1,910</u>	<u>1,646</u>	<u>1,391</u>	<u>1,466</u>	<u>1,484</u>	<u>1,533</u>	<u>1,567</u>	<u>1,515</u>	<u>1,515</u>
	<u><u>5,364</u></u>	<u><u>5,168</u></u>	<u><u>4,861</u></u>	<u><u>4,520</u></u>	<u><u>4,488</u></u>	<u><u>4,467</u></u>	<u><u>4,647</u></u>	<u><u>4,597</u></u>	<u><u>4,404</u></u>	<u><u>4,282</u></u>

NOTE: Excludes Library positions



TABLE 21

MECKLENBURG COUNTY, NORTH CAROLINA  
OPERATING INDICATORS BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Land Use and Environmental Services										
Residential permits issued	56,192	51,325	45,287	40,086	40,097	38,889	38,024	45,093	44,740	44,935
Commercial permits issued	33,032	30,968	30,584	29,753	24,807	22,296	27,505	38,748	44,079	37,866
Inspections performed	265,429	242,371	212,546	181,087	164,153	181,664	229,147	315,885	376,678	354,008
Inspection response time	1.55 days	1.49 days	1.42 days	1.40 days	1.35 days	1.23 days	1.05 days	1.06 days	1.07 days	1.31 days
Deeds and real estate documents indexed	160,338	164,074	201,736	166,551	153,597	168,130	184,125	247,105	281,814	280,875
Volunteer firefighters	650	623	612	648	745	895	760	690	644	672
Fire marshall and assistants	7	7	7	6	6	6	8	8	8	8
Community Services										
Registered voters	638,628	668,430	652,424	637,219	606,122	599,651	588,700	579,000	536,000	518,000
Total library circulation	6,110,131	5,953,997	5,681,619	5,535,783	5,557,825	7,091,927	7,334,678	6,773,992	6,181,091	6,027,318
Active library card holders (Average)	261,756	255,835	255,256	251,036	232,342	258,896	265,675	n/a	n/a	n/a
Participants using park athletic facilities	1,515,807	1,572,618	1,896,837	4,942,647	2,519,490	5,526,320	4,710,219	3,513,873	4,214,571	1,090,131
Park recreation program participants	214,684	230,423	218,462	188,960	414,065	298,026	296,814	481,145	719,292	512,168
Users of park pools - indoor and outdoor	272,414	468,925	496,888	489,808	554,151	551,991	549,604	283,432	261,607	255,707
Park visitors	8,820,207	8,159,000	7,566,063	5,142,469	5,142,469	4,533,389	4,317,513	5,377,905	4,831,170	4,214,303
Detention and Court Support Services										
Booked inmates	36,194	38,038	38,641	40,282	44,385	44,143	49,577	44,583	43,046	41,663
Civil processes served	69,349	72,333	78,448	78,694	126,125	132,747	136,549	126,788	108,981	122,871
Hand gun permits processed	13,010	12,032	15,730	10,011	8,783	8,990	11,790	9,447	7,965	7,589
Average daily jail population	1,507	1,881	2,042	1,928	2,164	2,274	2,496	2,610	2,647	2,335
Health and Human Services										
Area Mental Health										
Children receiving mental health services	n/a	n/a	10,353	19,536	16,521	14,856	14,052	4,878	4,332	5,777
Adults receiving mental health services	n/a	n/a	10,087	12,742	12,149	10,997	1,091	120	147	584
Clients receiving developmental disabilities services	n/a	n/a	2,688	4,230	3,050	3,632	2,108	90	84	81
Social Services										
Avg monthly # children receiving subsidized childcare	6,828	7,339	7,019	7,116	7,624	8,148	8,066	7,850	8,111	6,927
Number of transportation trips provided										
by Services for Adults Division	450,343	408,005	417,995	437,995	391,456	585,857	542,853	499,686	562,346	608,341
Senior Nutrition meals served	282,324	277,385	288,432	297,204	252,137	288,516	282,918	350,823	358,034	397,142
Health Department										
Patient visits	104,689	129,772	169,309	222,385	226,509	245,076	242	195,139	177,041	174,549
Food service inspections	8,506	8,126	9,434	9,600	10,121	10,478	9,926	9,836	8,086	5,999
Business Partners										
Public school full-time teachers	9,180	9,180	9,221	8,890	8,565	8,965	9,363	8,860	8,432	8,682
Students attending public school	145,363	142,612	141,171	138,012	135,638	133,664	134,060	132,281	129,011	126,903
Community college faculty	938	968	990	914	872	886	843	796	802	733
Community college students	19,064	19,802	20,413	19,470	20,110	20,176	19,148	18,321	17,942	16,772
Business-type Activities										
Solid Waste Enterprise Fund										
Tons of solid waste processed	1,079,595	942,568	988,227	1,089,624	1,046,569	1,200,636	1,442,987	1,543,924	1,500,194	1,315,356
Tons of yard waste processed	104,617	112,756	100,525	100,173	98,279	95,760	92,980	79,012	81,504	75,404
Tons of recyclables processed	75,226	76,716	73,947	72,268	74,203	61,724	59,716	59,202	54,911	53,257

## NOTES:

A - Active library card holders (Average) no date from 2008 - 2006

B - Large tournaments excluded from prior years

TABLE 22

MECKLENBURG COUNTY, NORTH CAROLINA  
CAPITAL ASSETS STATISTICS BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011		2010	2009	2008	2007	2006
Governmental Activities											
Land Use & Environmental Services											
Volunteer Fire Stations	18	19	19	19	19		17	19	18	18	16
Community Services											
Libraries	20	20	20	20	20		20	24	24	24	24
Voting Machines	2,223	2,223	2,223	2,223	2,223		2,223	2,223	1,522	1,512	1,000
Parks & Greenways	268	266	256	254	266		241	238	238	231	128
Golf Courses	5	5	5	5	5		5	5	5	5	5
Parks & Greenways Acreage	21,292	20,873	20,472	18,825	18,489		18,489	18,068	17,753	17,896	17,480
Detention & Court Support Services											
Jail Beds	2,715	2,715	2,715	2,715	2,715	(A)	3,095	2,668	2,668	2,668	2,668
Business Partners											
Public Schools	164	164	159	159	178		176	172	167	161	150
Historic Sites	21	21	8	8	5		5	5	4	4	4
Business-type Activities											
Solid Waste Enterprise Fund											
Landfills	1	1	1	1	1		1	1	1	1	1
Recycling & Yard Waste Processing Facilities	12	12	13	13	13		13	13	13	13	13
Material / Metal / Tire Recovery Facilities	5	2	2	2	1		1	1	1	2	2

NOTES: (A) Jail Annex closed.

Recycling & Yard Waste Processing Facilities has been adjusted to only include County run Facilities.



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